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NEWS SUMMARY

GENERAL

PLO 'may start to pull out this week'

A U.S. force of 1,800 Marines sailed from Naples for Lebanese waters yesterday, where it will be ready to land as part of an international peacekeeping force.

Israeli and Lebanese leaders said final agreement on the evacuation of PLO fighters from Beirut was close.

Lebanese Premier Chafiq al-Wazzan said after meeting U.S. mediator Philip Habib that it could begin this week. *Back Page*

Falklands call

Argentina and 19 other Latin American states urged the UN to call for negotiations over the Falkland Islands, under its auspices.

Warsaw demo

Warsaw riot police dispersed crowds as military ruler General Jaruzelski met Soviet President Brezhnev in the Crimea. Economic hopes. *Page 3*

Inquest adjourned

A Leeds inquest into the death of nurse Helen Smith was adjourned until October 12 for a jury hearing.

Ambulance strike

Police took over as Derbyshire ambulance drivers struck over bonus payment claims made 18 months ago. *Page 6*

'No death links'

Police ruled out any link between the killings of schoolchildren Susan Maxwell and David Milner.

Doe visits U.S.

Liberian head of state Samuel Doe today begins his first visit to Washington since seizing power over two years ago.

Iran executions

About 70 Iranian officers have been executed in connection with a plot led by former Foreign Minister Sadeq Otbazadeh, exiles said. *Page 3*

Editor convicted

South-West African editor Hannes Smith was convicted on charges of reporting South African troop movements and possessing Playboy magazines.

Elvis mourned

Over 5,000 fans with lighted candles visited Elvis Presley's grave in Tennessee to mark the fifth anniversary of the singer's death.

Cut rates

A London private hospital is cutting treatment costs for British patients to attract more "indigenous" custom. *Page 6*

Pakistan win

Pakistan (428/8 dec and 77/0) beat England (227 and 276) by 10 wickets in the second test at Lord's, squaring the series.

Hot tip

Rubbish decomposing in a Liverpool tip is generating natural gas worth £76m a year. *Back Page*

Briefly...

Frank Middlemass is to take over the role of radio's Dan Archer.

Archaeologists found a 7th century BC cemetery on Samos Island, Greece.

Twenty-four died when their bus hit a train near Tula, Mexico.

Gallaher is to raise cigarette prices by 2p for 20 on September 8. *Page 6*

BUSINESS

Mexico holds talks with IMF

MEXICAN Government has held talks with the IMF amid reports from Mexico City bankers that the country will have to renegotiate at least part of its \$60bn (£35.23bn) public sector foreign debts. *Back Page*

GILTS were strong. The Government Securities index gained 1.24 to 75.49, its biggest one-day rise for two years. *Page 21*

EQUITIES were quietly firm. The FT 30-share index added 0.9 to 545.8. *Page 21*

DOLLAR rose to DM 2.517 (DM 2.5075), FF 7.005 (FF 6.99), SwFr 2.155 (SwFr 2.1425) and Y263.75 (Y262). Its trade weighted index was 122.6 (122.4). *Page 22*

STERLING was unchanged at \$1.703. It rose to DM 4.29 (DM 4.27), FF 11.9275 (FF 11.9) and SwFr 2.6725 (SwFr 2.65). Its trade weighted index was 91.1 (90.9). *Page 22*

GOLD rose 34 to \$342.5 in London. In New York the Comex August close was \$339 (\$334.5). *Page 17*

WALL STREET was up 8.75 to 796.3 near the close. *Page 20*

RETAIL SALES last month were broadly at the same level as in June. The seasonally adjusted index of volume sales edged up from 106.6 to 107. *Back Page*

U.S. EARNINGS adjusted for inflation were down 2.1 per cent in June compared with the same month last year. *Page 4*

GOVERNMENT OIL revenues are likely to be substantially higher in 1982-83 than officially forecast, according to two financial reports. *Page 5*

DENMARK will have a budget deficit in 1983 equivalent to 14 per cent of the gross domestic product, according to Government budget proposals. *Page 2*

CHAMBERS OF COMMERCE said smaller and medium sized manufacturers face a wave of closures and redundancies. *Page 2*

POLISH planners expect the military regime's reforms to improve the domestic economy in the next few years but they believe the foreign debt will rise. *Page 2*

BUILDING material sales slipped in June after rising for several months. *Page 5*

FRENCH Government is reported to have imposed a ban on imports of meat from animals which had been treated with hormones. *Page 17*

BRITISH SIDAC is to close its cellulose film-making factory on Merseyside with the loss of 650 jobs.

JYSKE BANK, Danish commercial bank, has had its 1981 accounts qualified. *Page 19*

REARDON SMITH LINE, shipping group, incurred a pre-tax loss of £129,000 for the year to March 31, against a profit of £1.43m. *Page 14*

Tax law clampdown likely to hit British takeovers in U.S.

BY DAVID FREUD AND CHARLES BACHELOR

THE INLAND REVENUE plans to put a stop to a tax arrangement which many companies have used in recent years to make acquisitions in the U.S. cheaper.

The Revenue has set up a specific investigation of the arrangement, which it says exploits a loophole in the law. So far most of £300m loans, covering 50 cases, have been discovered to be connected with this arrangement. Two individual cases account for £50m.

The investigation is disclosed in confidential working papers dealing with the Revenue response to company residence, tax havens and upstream loans.

The arrangement allows a UK company to offset its interest payments against both UK and U.S. tax. In practice this means that the full cost of interest payments can be reduced by as much as 93 per cent.

In recent years there has been a surge of UK companies which have mounted takeovers in the U.S., particularly in the food and engineering sectors.

One company that may have used the provision is Grand Metropolitan, which has bought both Intercontinental Hotels and Liggett in recent years.

Yesterday, Imperial Group, which bought Howard Johnson

in 1980, refused to comment.

The arrangement, dubbed the "Delaware Link," uses the contracting approach to residence in UK and U.S. law.

A dual resident subsidiary set up by a UK company in Delaware, which has the lowest state tax in the U.S., can claim a U.S. domicile, and also be controlled from the UK.

So it can group its interest payments under each tax legislation, and obtain the appropriate relief against tax twice over.

If legislation is introduced in the next Budget banning the Delaware link, some UK companies could find themselves paying much more tax, and earnings per share might suffer.

The main merchant bank specialising in the field of U.S. takeovers are Morgan Grenfell and S. G. Warburg. Yesterday Mr Roger Seelig, a director of Morgan Grenfell, said: "The arrangement must be a material consideration in transatlantic mergers, and the abolition of such relief would have a substantial adverse effect."

Some big UK companies have not used the Delaware Link, after examining it closely, for fear of the Inland Revenue's reaction.

United Biscuits, Babcock International and Unigate have decided against using the

arrangement. Mr Daniel Hodson, finance director of Unigate, said: "The attitude of the Inland Revenue is uncertain and the law is changing, so the equilibrium of the arrangement is unstable."

The Revenue's attack on the arrangement appears in its paper on upstream loans, those made by a subsidiary to its parent or a holding company set up for the purpose.

Its main evidence to support introducing legislation to stop upstream loans, use of which it says is increasing, concerns arrangements under the Delaware Link.

"It is impossible to obtain a complete picture of the problem without a detailed examination of the accounts of every UK multinational group: in the past such loans have generally come to light in the course of other inquiries," says the Revenue.

"But from the relatively limited evidence currently available it is clear that significant amounts of tax are often at stake."

Moreover, these loans are commonly used as an integral part of a wider avoidance device by which UK groups with subsidiaries in the U.S. may secure a double deduction for the same interest payment."

Lex, *Back Page*

£800m short tap announced as gilts do well

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE Bank of England yesterday announced an £800m short tap to a gilt-edged stock market which had one of its best days' trading since the Budget, and reached new three-year peaks.

The much more optimistic mood was reflected by falls in money market interest rates and followed cuts in U.S. rates. Eurodollar interest rates fell sharply yesterday.

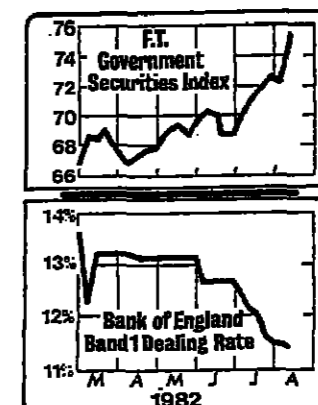
The new tap offers the lowest interest rate coupon launched in the market for four years.

The Bank of England allowed its dealing rates for money market bills to fall a further 1 point. There was general expectation that a half-point cut to 11 per cent in clearing bank base lending rates will follow soon.

This belief was supported by a steadiness in the exchange rate of sterling. It closed in London unchanged against the dollar at \$1.703 and slightly up against the continental currencies. The Bank of England trade-weighted index of its value against a basket of currencies rose 0.2 points to 91.1.

The new tap is 10 per cent Epschequer 1987 to be offered for tender by August 19, with a minimum price of £98.75 per cent. The first interest payment on April 6 will be at £5.9584 per £100 stock.

The tap follows the exhaustion last week of the £500m of 12 per cent Treasury 1987 "A"



stock which was issued 10 days earlier.

The announcement of the stock did not dampen the enthusiasm of the market which moved prices up to new three year peaks. The FT Government Securities index rose 1.34 points to 75.49 and selected longer-dated stocks ended the day with rises of up to 21 points.

The equity market followed suit, although with more subdued trading. The FT 30-share

Continued on Back Page

Attack on Prior for call to aid industry, *Page 5*

Money Markets, *Page 22*

Threat to small manufacturers, *Back Page*

Lex, *Back Page*

Eurobond dealers study law change

By Duncan Campbell-Smith

U.S. COMPANIES could lose access to the Eurobond market unless significant changes are made to proposed amendments in U.S. tax law, according to senior Eurobond bankers who were yesterday engaged in a study of the amendments' impact.

A change in the terms and conditions of three bonds already in the market place for IBM, Du Pont and American Natural Resources was suggested over the weekend by the issues' managing banks in an attempt to accommodate the amendments, but the reaction of investors yesterday was mixed at best.

At least one bank participating as a co-manager made clear that it would withdraw rather than accept the suggested terms. Others disclosed a worrying run of cancelled orders for the bonds during the week.

The tax law changes, still being considered in Washington by Congressional staff in conference committee, have been designed to bar U.S. citizens from receiving tax-free interest on securities, including bonds.

A growing volume of bonds has been issued in the Euro market by U.S. companies — current new issues by them, for example, exceed \$3bn (£411.00m).

Under the amended law, the burden of ensuring that interest on securities was not received tax free in the U.S. would fall in practice on the borrower, with prescribed penalties for any non-observance.

This would cause a major problem for U.S. issuers of Eurobonds, which are traditionally bearer certificates carrying no registration of ownership.

The only option available to U.S. borrowers in this setting — short, that is, of turning away from the Eurobond altogether — is a slightly altered Eurobond wording and procedure for U.S. borrowers.

As the vexed search for this was continuing, it emerged in Washington that the tax law

Continued on Back Page

Eurobond's personality cult, *Page 16*

Union leaders bow to Civil Service pay curbs

BY PHILIP BASSETT, LABOUR CORRESPONDENT

CIVIL SERVICE union leaders are accepting that industrial action will not shift the Government from its cash limits on pay increases, according to a confidential paper to be examined by senior union leaders today.

The paper seems certain to cause a serious row at today's meeting of the major policy committee of the nine unions' umbrella body, the Council of Civil Service Unions.

The draft document, prepared by CCSU officials, is the unions' first point-by-point response to the findings of the Government's inquiry into the pay system for Britain's 530,000 civil servants, chaired by Sir John Megaw.

The paper is likely to harden the growing view in some unions, notably the middle-grade Society of Civil and Public Servants, that Megaw should be rejected completely.

The Institution of Professional Civil Servants, which is cautiously in favour, represents the prevailing view.

Union leaders have denied reports that they have agreed to informal talks "without prejudice" on Megaw, but a separate CCSU minute says the unions could enter exploratory discussions with the other side to "clear the ground before further consideration of the council's position."

However, few union members are likely to be aware of how far the CCSU has gone towards accepting many of Megaw's central proposals. Though the CCSU Megaw paper stresses it finds points of the inquiry's findings "unacceptable" and "unsatisfactory," the document says the major policy committee "was content with the report's comments on market forces."

The Megaw inquiry found broadly in favour of the Government's drive to make Civil Service pay reflect more closely the impact of market forces. Civil Service unions have completely opposed this.

The CCSU paper notes that the Megaw inquiry failed to

tackle the Government's cash-limits policy on pay. But it adds: "There could be no hope of a solution on the basis of further major confrontation" — a clear acceptance that any repeat of last year's 21-week pay strike in the Civil Service would not shift the Government.

The unions acknowledge that, despite their public opposition to the plan, the Government will fix its cash limits before the Civil Service pay increase is due.

Significantly, none of the sections in the paper dealing with cash limits or market forces appears in the first draft version reporting the meeting at which the CCSU line was agreed. Some union leaders last night detected the hand of moderate unions in this redrafting.

The CCSU document is in sharp contrast to a paper on Megaw prepared by the SCPS.

Continued on Back Page

Civil Service and private sector pay compared, *Page 6*

Fall in U.S. interest rates helps trigger share rally

BY RICHARD LAMBERT IN NEW YORK

INTEREST RATES moved lower again in New York yesterday and share prices rallied strongly in early trading.

The move towards lower prime rates, which began on Friday, became widespread. Most banks cut their prime-rate at which banks lend to their best customers — from 15 to 14.5 per cent.

The Dow Jones Industrial Average was up 12.46 points at \$80.31. That followed a rise of 11.13 points on Friday from the low point of the year, touched on Thursday.

Share dealers were enthusiastic about Occidental Petroleum's takeover bid for Cities Service, which came late on Friday. Gulf Oil's earlier decision to withdraw its bid for Cities Service had threatened some traders with heavy losses. Cities Service shares were suspended yesterday ahead of a board meeting at which it was to consider its response to Occidental's offer.

Bond prices roved higher yesterday morning, with gains of more than half a point for the longer-dated issues.

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Bond prices roved higher yesterday morning, with gains of more than half a point for the longer-dated issues.

Competition warning for insurers

BY ERIC SHORT

CUT-THROAT competition for commercial insurance business would have grave consequences for the stability of the UK insurance industry, Mr John Howard, chief general manager of the Royal Insurance Group, said yesterday.

Royal was revealing its first-half results for this year, which showed underwriting losses up threefold compared with the same period last year from £30.6m to £94m. Pre-tax profits were halved from £68m to £32m.

Royal said premium rates in commercial insurance had been cut to levels which appeared ridiculously low — cuts averaging around 25 per cent but in some cases at least 50 per cent.

The company was prepared to lose business rather than on unrealistic terms. Premiums on UK commercial business had fallen 5 per cent over the period.

Other UK insurance groups are reporting similar concern and taking similar action. Last week, Commercial Union reported a 2.4 per cent fall in premiums on UK commercial business while General Accident reported stagnant business.

Royal's poor first-half results were blamed on the severe winter in the UK and U.S. which cost £42m more in claims than in the first half of 1981 and on continuing stiff competition around the world.

The company reports an underwriting loss of more than £50m this time in the U.S. against £12.5m last year and has been implementing a programme of rate increases. Action taken last year in Canada and Australia is coming through in lower underwriting losses at the expense of a fall in market share. Premiums in Canada have fallen 17 per cent over the period.

The market was relieved that the results were better than expected, following the poor results announced last week by CU and GA. The share price, which fell substantially last week, improved 8p to 350p.

Results, *Page 14*

Lex, *Back Page*

CHIEF PRICE CHANGES YESTERDAY

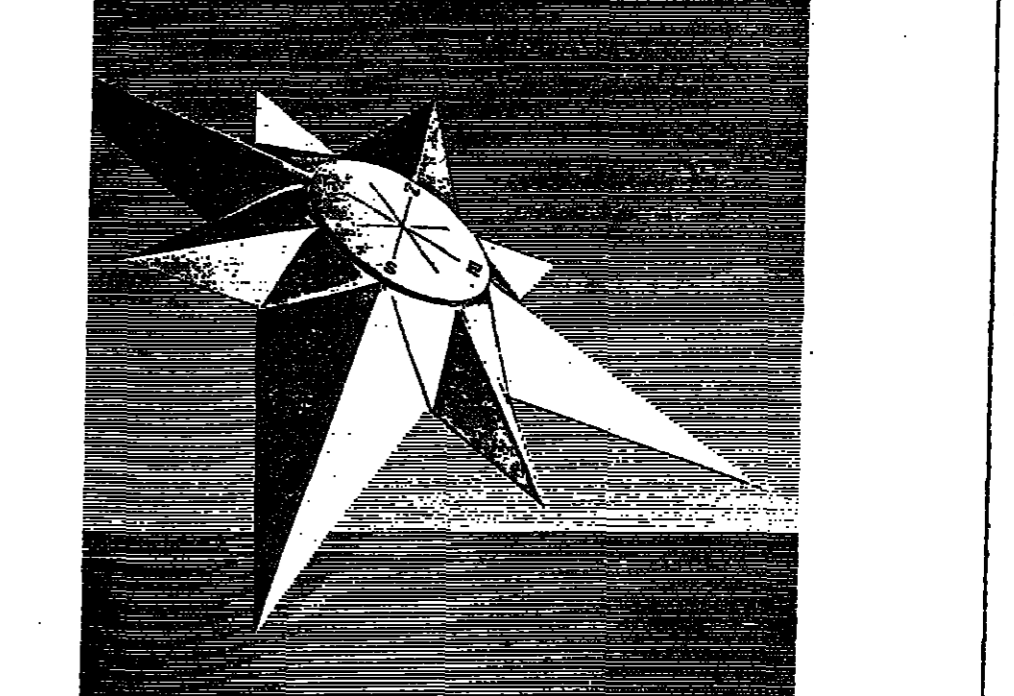
(Prices in pence unless otherwise indicated)

RISERS	
Treas 121 88 Cnv £1034	+ 18
Treas 131 2004-06 £1144	+ 24
Aeronautical & Genpt252	+ 201
Bass	250 + 9
Bulmer (H. P.)	600 + 25
Crouch (D.)	100 + 7
Dundonian	74 + 4
Ferranti	402 + 13
First Castle	82 + 6
Fleet Holdings	20 + 2
Grand Met.	1250 + 64
Johnson Gp Cleanrs	228 + 6
Werrdown Wine	1178 + 17
Northham Manufctg	182 + 8
Plessey	517 + 5
Total Insurance	350 + 8
Strand Diffusion	140 + 6
Pharmat	338 + 8
FALLS	
Union-Discount	475 - 15
Watson (R. Kelvin)	73 - 5
LASMO	333 + 8
Ultramar	1338 + 104
Anglo Am. Corp.	570 + 12
Charter Cons.	187 + 5
Cons. Gold Fields	455 + 76
East Rand Trop.	455 + 9
President Brand	£154 + 4
Barclays Bank	1354 - 10
Blue Circle	412 - 11
Exco	197 - 8
Hongkong Land	51 - 6
Hutchins Whampoa	99 - 15
Jardine Matheson	128 - 10
Midland Bank	1296 - 8
Standard Chartered	382 - 11
† Ex-dividend.	

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EUROPEAN NEWS

IMF concerned over surge in Turkish inflation

BY METIN MUNIR IN ISTANBUL

THE International Monetary Fund (IMF) has expressed concern over the recent revival of inflation in Turkey. It says that unless reversed quickly, the surge in inflation will threaten the progress made.

Wave of anti-Jewish attacks in Austria

By Lucian Meysels in Vienna

A SPATE of anti-Jewish bomb attacks has shocked the people of Austria, which was once described by the late Pope Pius VI as the "isle of the Blessed".

HESSIE ELECTION CAMPAIGN

Embattled Bonn coalition likely to feel strain

BY JONATHAN CARR IN BONN

THE CAMPAIGN for the crucial election in the West German state of Hesse next month already looks set to be one of the toughest and most divisive for years.

other in Hesse, the campaign will not undermine the alliance between the same two parties in Bonn.



Herr Dietrich Genscher (right): under attack from Hesse's Premier for 'lacking political courage'

Irish Attorney-General may have to quit

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Attorney-General, Mr Patrick Conolly, 53, and unmarried, is a close friend of Mr Charles Haughey, the Prime Minister.

In 1970, when Mr Haughey and Mr Neil Blaney were accused of taking £100,000 of government money to fund the purchase of arms for the IRA in Northern Ireland, Mr Conolly acted as Mr Haughey's junior counsel.

He and his government are involved in a campaign of public expenditure cuts, which is creating problems with the public service trade unions.

Polish planners expect higher foreign debt

By Leslie Collett in Warsaw

PLANNERS in Poland expect the military regime's reforms to improve the domestic economy in the next few years, but they believe the country's foreign debt will increase.

Hopes for Italian Government grow

BY RUPERT CORNWELL IN ROME

SIG GIOVANNI SPADOLINI, the Italian Prime Minister-designate, today begins talks with political and labour leaders amid optimism that a new five-party government can be formed without undue delay.

A sign of the new mood was the return from Rome to the Dolomites yesterday of President Sandro Pertini, who had been forced to interrupt his summer holiday when the crisis broke.

Changes in the provisions for calling referendums. The idea is to make them more difficult to obtain, probably by raising the number of signatures required from the present 500,000.

Iceland may devalue krona before weekend

BY WILLIAM DUFFORCE IN STOCKHOLM

ICELAND'S Central Bank has agreed foreign exchange trading since Friday while the government develops a plan to cope with the country's economic difficulties.

Denmark projects large 1983 budget deficit

BY HILARY BARNES IN COPENHAGEN

DENMARK will have a budget deficit in 1983 equivalent to 14 per cent of the gross domestic product, according to the budget proposed by the minority Social Democratic Government yesterday.

He said the Government aimed to reduce the deficit by DKr 10bn through cutting expenditure and increasing revenue, but he made no specific proposals on how that was to be done.

be allowed to affect social welfare standards, which are higher than in any other country. He said wage restraint to improve competitiveness would be a main part of the Government's economic plan.

Plan shortfalls indicate Czechoslovakia's deepening economic malaise

BY PAUL LENDYAI IN VIENNA

THE PLANNED autumn visit to Austria of Dr Gustav Husak, Czechoslovakia's President and party chief, will be the first official visit by a Czechoslovakian head of state to Vienna since the break-up of the Austro-Hungarian empire in 1918.

that the economic situation is not as dramatic as elsewhere east of the Elbe. One in five enterprises failed to attain the planned targets in January-June this year and meat production was down by 8.2 per cent on the same period last year.

people. But Mr Milos Jakes, the Party Secretary in charge of economic policy, revealed that the entire increase in the country's national income during the current Five-Year Plan (1981-85) will be used to reduce external debts.

annum) during the Five-Year Plan should be achieved through increased productivity, productivity levels in industry during the first quarter of this year fell below the level recorded last year.

months of 1982, trade with the West was down by 5.5 per cent compared with the same period last year. The planning report blamed discriminatory measures applied by developed capitalist countries.

Communist countries to cope with the effects of the recession. Mr Jakes may well be right that even the best of the management systems will fail to be effective without a real change in the working atmosphere.

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Advertisement for Gulf Air flights to Cairo, featuring an image of a Gulf Air aircraft and promotional text.

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Canberra faces dilemma over today's budget

By MICHAEL THOMPSON-NOEL IN SYDNEY

TODAY'S Australian budget could prove a make-or-break affair for the Liberal-National Party coalition government of Prime Minister Malcolm Fraser.

With the economy now definitely in recession, belief is growing that it will offer personal tax cuts totalling at least A\$1.5bn (£882m) as a possible prelude to a snap general election in the autumn.

On most estimates, the government is likely to adopt a series of stimulatory measures that, in addition to tax cuts and higher family allowances, include increased welfare spending, more job creation and a boost for the badly-hit construction industry.

The total budget deficit for 1982-83 is likely to be between \$1.5bn to A\$2bn, compared with a deficit of \$3.1bn in 1981-82. But the government faces a dilemma. If it opts for too soft a budget, it will risk damaging its credibility with the international trade and financial communities, particularly in the light of Australia's worsening trade picture and the economy's market reliance on foreign capital inflows.

Alternatively, an inflexible approach to the economy's problems would damage the government's political chances. Although its current term of office runs to the end of next year, the government is thought to be considering a general election on September 18, or in November.

October has been ruled out, because of the Commonwealth games, the visit to Australia by the Queen and a regional meeting of Commonwealth heads of government in Fiji.

An early election, it is said, would help the government capitalise on today's expansionary budget. However, in Canberra yesterday, Mr Fraser said such speculation was "totally ill-informed."

Cabinet ministers sympathetic to an early election face opposition from those who argue that the government's economic strategy so far—tight monetary policy designed to plug down inflation—should not be sacrificed in the interests

of an electioneering budget which could backfire.

Yet there is broad agreement on the need for income tax cuts, if only to compensate workers for the ending of tax indexation last July 1.

It is thought likely the budget will unveil personal tax cuts totalling between A\$1.5bn and A\$2bn, offset by a more broadly based sales tax and by stringent anti-tax avoidance measures. A 3 per cent across-the-board increase in sales tax would raise A\$2bn, according to some estimates. This would neatly offset the cut in direct taxation that is widely called for.

The budget comes at a time of increasing inflation (nearly 11 per cent), worsening unemployment, high interest rates, rapidly falling company profits, and a worsening balance of trade, and the cancellation or deferment of numerous major resource projects.

The picture over the past six months would have been bleaker had for the unofficial devaluation of the Australian dollar in relation to its U.S. counterpart. By engineering an effective devaluation since the start of the year of almost 9 per cent, the Government has propped up export receipts, while helping to stem the tide of imports.

Politically, the Government's greatest problem is unemployment. The number of unemployed last month was 469,500 or 6.9 per cent seasonally adjusted—a post-war record. On present trends, the rate is expected to reach 8 per cent by early next year.

The employment slump reflects high domestic interest rates, high wage growth and subdued domestic demand. Many top Australian companies have introduced a pay freeze for salaried staff. But their hands are largely tied, at least until there is an upturn in international metal and commodity prices.

As a prelude to the budget, the government sought to lessen industry's mood of depression with a major package of industrial aid announced last month.

Exiles claim 70 Iranian army officers executed

ABOUT 70 Iranian officers have been executed in connection with a plot masterminded by Mr Sadeq Qotbzadeh, the former Iranian Foreign Minister who is now on trial before a military tribunal, exiled Iranians said yesterday.

Quoting a senior army officer involved in the plot who managed to escape to Paris, the Iranians said the officers had been shot by firing squads over the past three weeks.

They said the executed men included Colonel Qassam Hossein, Major Shapur Pazhandeh and Hossein Naqib-Zadeh.

Officials at Tehran's Evrin prison, where Mr Qotbzadeh is being held, told Reuters by telephone that they could neither deny nor confirm the executions.

Mr Qotbzadeh, accused of leading the plot aimed at killing

revolutionary leader Ayatollah Ruhollah Khomeini and toppling his clerical regime, went on trial on Saturday.

Iranian journalists covering the trial said the former Foreign Minister was led into court blindfolded yesterday to attend the proceedings.

Iran's national news agency Irna reported that yesterday's session was devoted mainly to Mr Qotbzadeh's answers to the charges against him. Irna said the trial was adjourned until Saturday.

The charges levelled against Mr Qotbzadeh, a former close aide of Ayatollah Khomeini, are the most serious brought against any Iranian official since the 1979 Islamic revolution.

Mr Qotbzadeh has to conduct his own defence since under Iran's rigid Islamic laws, defendants are not allowed to have defence lawyers.

Reuters

Italian section of UN force prepares for Beirut

THE FINAL preparations were being completed last night for the departure to the Lebanon of the Italian contingent in the UN peace-keeping force which is destined for Beirut, when agreement is reached on the withdrawal of PLO forces.

A Navy ministry spokesman said yesterday that all being well, the three ships carrying 560 troops and their equipment could be at sea bound for the east Mediterranean by mid-morning today.

The three vessels are the troop carriers Corle and Grado, and the cargo ship Buona Speranza, with a crew of 30 and owned by the Lloyds Triestina company.

The Italian contingent is made up of various units of Bersaglieri infantrymen, plus platoons respectively of para-military Carabinieri and specialist engineers. Their equipment, mainly personnel carriers, light armoured vehicles and ambulances has been specially painted white to distinguish it better from Israeli and Palestinian armour in the city.

It has been carried on a series of special trains from the north to the Port of Brindisi in the southeast, from where the contingent is leaving.

Special units of police and soldiers have been drafted to Brindisi to prevent the extra arrivals creating excessive congestion at the port, which already handles some 3,000 tourists bound for Greece daily.

U.S. 'key' to PLO government in exile

THE ESTABLISHMENT of a Palestinian government in exile requires clear U.S. recognition of the right of the Palestinians to self-determination, Mr Ahmed el-Dajani, a PLO executive committee member, said yesterday.

In an interview with the weekly Cairo newspaper, Mayo, Mr Dajani said details of how such a government in exile could be set up should be examined. "The idea has been around for about ten years," he said. "Now we need a working group to define clearly how to execute the idea."

The PLO has always refused to form a government in exile because of the difficulties of organising elections. It says a government has to take its mandate from the people it represents in free elections, which would be impossible in the occupied territories and extremely difficult in other countries.

Mr Dajani emphasised that the PLO represents the various parts of the Palestinian people and condemned the U.S. Government's view of the two as unrelated.

Pakistan cautious on India pact

By K. K. Sharma in New Delhi

PAKISTAN'S initial public response to India's proposal for a comprehensive treaty of peace, co-operation and friendship has been cautious. It now seems certain that the process of normalisation of relations between the two countries will be slow.

An official commentary carried in Pakistani newspapers yesterday said that the Indian proposal sought progress too fast for the present state of Indo-Pakistan relations to justify and hence sought what was called a "step-by-step" approach.

This is to be attempted through the Pakistani proposal for a "no war" pact which was renewed by President Zia ul-Haq last year. Talks on this led to the Indian counter-proposal.

The Pakistani Press commentary follows talks between senior officials of the two countries in Islamabad last week, when the two countries exchanged drafts of their respective proposals for normalisation of relations.

They agreed to meet again in New Delhi after holding what they said were useful two days of talks in Islamabad.

Indian textile workers held

BOMBAY—Striking textile workers called off a campaign to provoke their own arrest yesterday after about 2,700 of them were detained for violating a ban on demonstrations, the Press Trust of India (PTI) reported.

The workers began to seek their arrest in large numbers to draw attention to their seven-month pay strike which has involved 60 mills, PTI said.

The police released the detained workers after Dr Datta Samant, their leader, announced he was calling off the campaign. He said it had succeeded in focusing government attention on the strike.

The strike, by more than 250,000 workers, seriously affected production and exports.

Reuters

Seoul fraud pair lodge appeal

SEOUL—A money-lending couple in South Korea's multi-million dollar loan scandal appealed yesterday against jail sentences of 15 years each, court officials said.

The couple—Lee Chol-Hi, former deputy head of the Korean Central Intelligence Agency, and his socialite wife Chang Yong-Ja—were found guilty last week of fraud, breach of trust and violation of foreign exchange regulations.

Authorities confiscated more than \$1m (£588,000) and 13m Japanese yen (£29,000) recovered from their ill-fated fortune of nearly \$1bn amassed by discounting promissory notes which they held in trust as collateral.

There was a total of 32 defendants in what the prosecution described as the country's largest fraud case in history.

Zimbabwe beer hall killings

HARARE—Five people were killed and eight wounded in a beer hall robbery on Saturday in Zimbabwe's Matabeleland province—scene of a three-week hunt for six foreign hostages and their kidnappers, security officials said yesterday.

About eight gunmen entered the crowded beer hall at Nyamandhlovu township and opened fire with AK47 rifles and other arms. More shots were fired while money was being taken from the customers, sources said.

AP

No devaluation says Suharto

JAKARTA—President Suharto said yesterday that Indonesia was successfully weathering the world recession, but was faced with serious population problems.

In the annual state-of-the-nation speech to parliament, he dismissed the possibility of a currency devaluation, saying it was not necessary and the present managed float of the rupiah would continue.

Reuters

Mubarak to visit Europe

By Our Cairo Correspondent

PRESIDENT Hosni Mubarak of Egypt will visit Spain, Romania and Yugoslavia early next month.

The Egyptian foreign ministry said that his plan to visit Spain was the result of increasing Spanish interest in Middle East problems, and that his visit to Romania was prompted by President Nicolae Ceausescu's constructive role in seeking a solution to the present Middle East crisis.

Rick Wells in Khartoum examines latest moves towards regional autonomy in the impoverished Sudan to be ruled by division

By Rick Wells in Khartoum

RECENT CHANGES in the country's southern region have temporarily overshadowed other problems facing Sudan's President Jaafar Nimeiri, now in his 14th year as ruler of Africa's largest country.

For eight months the semi-autonomous region was presided over by an interim government installed by President Nimeiri. This government marked time while a solution was found to the problem that has turned southerners against each other as never before and threatened the stability of the region.

The problem has been whether or not the south, which amounts to more than a third of Sudan's total land mass and has a geography, culture and religion distinct from the north, should be divided into two or more separate self-governing regions now, in the wake of June elections which were fought over this issue. A new government is seated in Juba which is strongly for division. As a further blow for the campaigners of continued unity President Nimeiri sacked Mr Abdel Alier, his southern vice-president, and replaced him with Mr Joseph Lagu, who has been the leader of the cause of division since February last year.

It was initially feared by many southerners that President Nimeiri, who is committed to a policy of decentralisation in the north, would try to divide the south along the same lines disregarding this constitutional procedure. From President Nimeiri's point of view, as with many northern politicians, the policy of "divide and rule" greatly appeals as a way of keeping the troublesome south in check. A divided south would also be less resistant to the desired increase of Islamic influence in the region.

To avoid an impending crisis in north-south relations, however, President Nimeiri

apparently backed down when the issue that was due to have taken place during the interim period of government. His position since then has been ambiguous. He has stated publicly that "decentralisation" should take place in the south in due course, but within the context of a single region.

Despite President Nimeiri's public withdrawal from the fray, the two sharply opposing camps of unity and division continued their election campaigns in the region. Politicians from the two southernmost provinces of Eastern and Western Equatoria, with Mr Joseph Lagu, led the divisionist campaign and achieved a virtual clean sweep in those provinces.

By forming an alliance with other self-interested individuals and groups, all eager for a share in the new government, they rallied enough votes to push their presidential candidate, Mr James Tembura, to victory. Mr Tembura then formed a cabinet which excluded all opposition from ministerial posts. With a pro-division government now voted in by a majority of southerners, and Mr Joseph Lagu as his closest advisor on southern affairs in the north, the chances of President Nimeiri succeeding in bringing about the required change in status of the region are greatly enhanced.

Mr Lagu, until his recent appointment, has been very vocal in his desire to see the south separated into regions, largely as an attempt to break down the alleged domination of the administration by the Dinkas, the largest tribe numerically in the south. Now that he has replaced his old rival in southern politics, Mr Abdel Alier, a Dinka, as vice-president in the new Government has been substantially reduced, Mr Lagu may well temper his views on the subject.

By Rick Wells in Khartoum

The new southern president, Mr James Tembura, a member of the Zande tribe, is said to be a reasonable and pragmatic politician. It is very unlikely that he will risk inflaming tribal rivalries once more, particularly the Dinkas, by pursuing an immediate course towards division.

One of his first tasks, however, will be to carry out certain measures of decentralisation that will appease the wishes of those supporters of Mr Lagu, particularly the Equatorians who voted him in on the divisionist ticket.

Before that, Mr Tembura has the mammoth task of trying to inject new life into the now totally stagnant administration. He must also adopt a tough line against continued tribalism, corruption, and inefficiency that were a part of previous administrations, and that have left the south so desperately behind the north in its development following the ravages of civil war.

Against this background of unrest in the country's south, President Nimeiri continues to play for time in dealing with the other problems facing his regime.

Following the New Year disturbances, a spate of demonstrations by students in the capital against the Government's economic policies which reverberated throughout the regions leaving an estimated 45 dead, President Nimeiri sacked the entire executive body of the Sudanese Socialist Union (SSU), Sudan's only legal political party. He blamed them for not informing the public of the measures required by the economic austerity programme, launched in October 1981, under pressure from the International Monetary Fund in an attempt to revive Sudan's battered economy.

A show of dissent towards President Nimeiri's policies

By Rick Wells in Khartoum

within the army following the riots led to the sacking of General Abdel Majid Hamid Khalil, his much-respected first Vice-President, Minister of Defence and Commander in Chief of the armed forces, and 22 other senior ranking officers. Since then, the army has remained quiet.

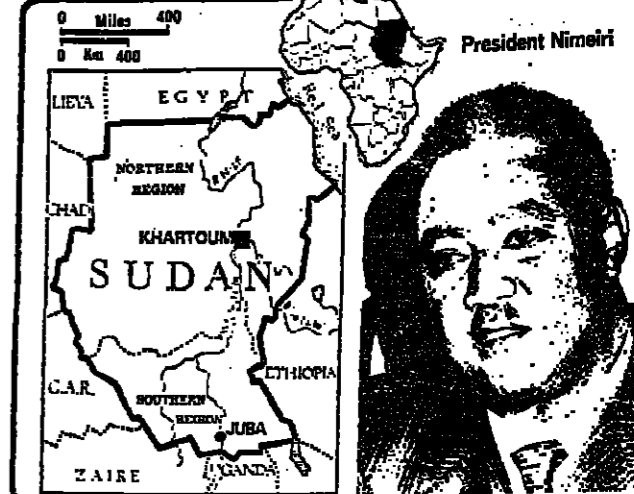
As yet the SSU remains in limbo. The recommendations of the 144-member committee set up to review the structure of the party have been shelved until the SSU national congress is held next February. Meanwhile, a 50-man committee is running the SSU led by Mr Badr el din Suleiman, the former Finance Minister.

With newly elected governors in the five northern regions, the decentralisation process in the north has been further consolidated. The idea of delegating power to the regions came in recognition of the difficulties of governing such a vast and diverse country from Khartoum and a frequently expressed desire by President Nimeiri to hand the reins of power to the people.

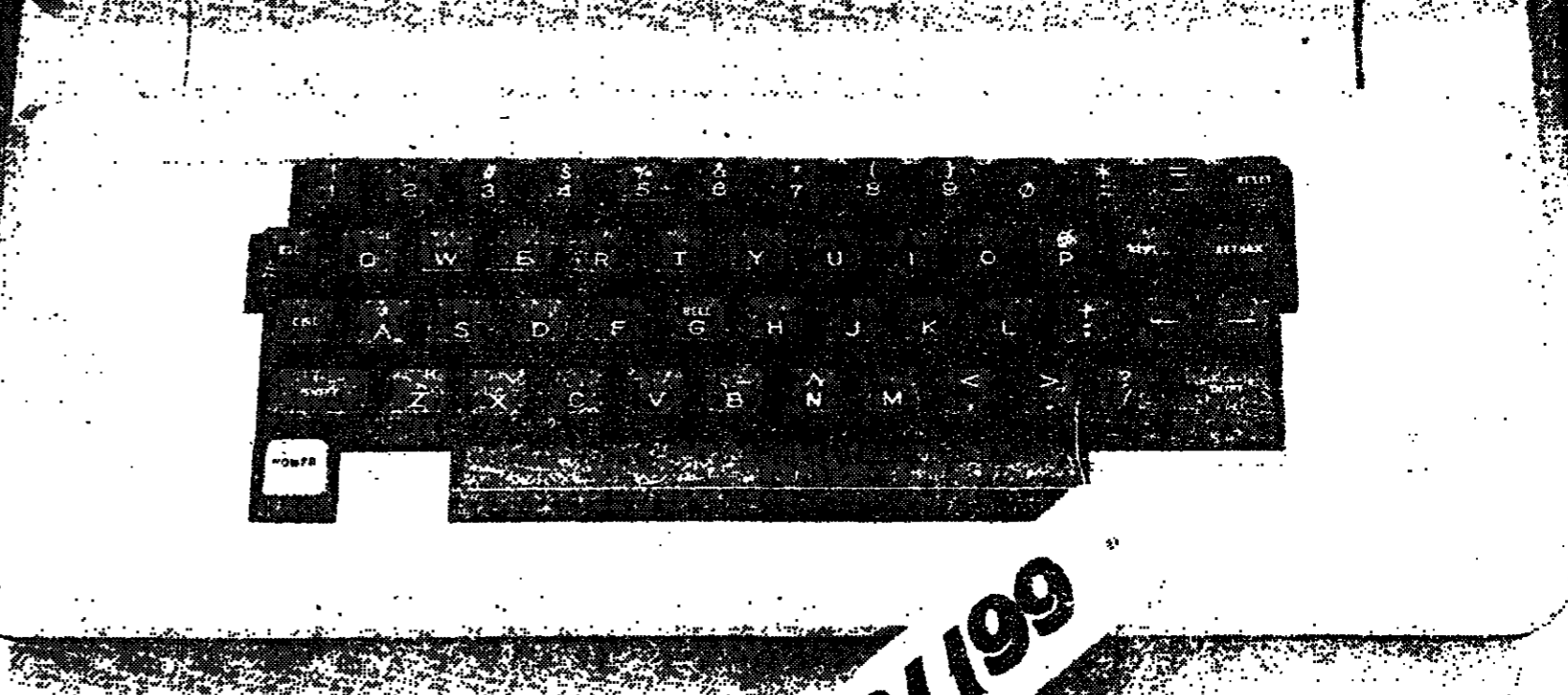
More cynical observers, however, see it as yet another way in which President Nimeiri has succeeded in dividing any potential opposition. Further, as the President has himself stated, "decentralisation will only be perfect when the regions depend on their own financial resources." With the country close to bankruptcy this is hardly likely to become a reality in the near future.

The immediate prospects for Sudan's economy are extremely poor. Faced with a total debt of around \$4bn (£2,351m), the country has been kept afloat by its powerful friends, namely the United States and Saudi Arabia, and by the provision of an IMF standby credit of £125m. More tangible "gifts" of wheat from the U.S. and oil from Saudi Arabia have helped to quieten popular discontent over shortages.

President Nimeiri is always unpredictable in coping with the pressures of government, which rest solely upon his shoulders, but his keen aptitude for political survival continues to be a dominant feature of his policies.



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AMERICAN NEWS

WORLD TRADE NEWS

Reagan admits rift in Republican Party over his tax Bill

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON
PRESIDENT Ronald Reagan admitted yesterday that his \$100bn (558.5bn) tax bill had created a "distinct rift" in the Republican Party between the main conservative Centre and the far Right.

Most Canadians dubious over budget benefits

BY VICTOR MACKIE IN OTTAWA
A MAJORITY of Canadians, 66 per cent, do not believe the June 28 Federal budget will strengthen the country's economy, according to the latest Gallup Poll.

Argentine employers back off price scheme

BY JIMMY BURNS IN BUENOS AIRES
THE ARGENTINE Government's attempts to curb inflation received a serious setback over the weekend when the main employers' federation withdrew its formal backing for a voluntary price controls scheme.

Americans' spending power declines

THE AVERAGE American family is still getting poorer month by month, losing spending power despite the declining inflation rate, according to reports by Government agencies.

Nationalisation for Grenada's power company

BY Tony Cozier in Bridgetown
THE Grenada Government has bought out the Commonwealth Development Corporation's 49 per cent shareholding in Grenada Electricity Services, the island's sole power company, putting it under complete state control.

Japan-China trade ties take turn for worse

BY RICHARD HANSON IN TOKYO
JAPAN-CHINA trade relations are taking a turn for the worse because of a dramatic shift in the balance of two-way trade towards China's favour.



Mr Zenko Suzuki

Canadian Minister warns car industry on competitiveness

BY VICTOR MACKIE IN OTTAWA
CANADIAN automobile makers will reap long-term gains from Japan's commitment to curb car exports to Canada only if they produce a vehicle competitive with Japanese models.

Israel diamond exports fall

BY L. DANIEL IN TEL AVIV
ISRAELI exports of polished diamonds reached a value of \$85m (554m) in July, bringing the total for the first seven months of this year to \$544m—22.3 per cent less than in the same period of 1981.

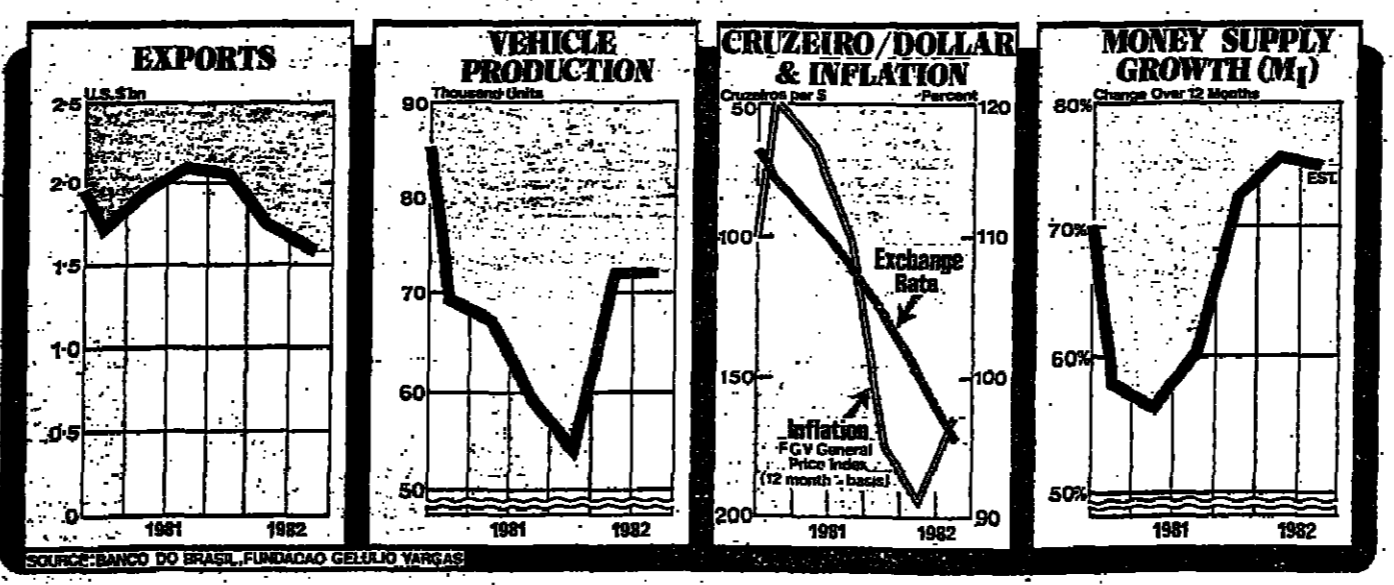
Cheap imports are damaging a key industry, writes Michael Thompson-Noel in Sydney

Good life is over for Australian steel

TO A DEGREE that astonishes most outsiders, Australians are conditioned to expect the good life—hence their current indignation at the country's rising unemployment. Hence, too, their mood of puzzlement at the sight of Broken Hill Proprietary (BHP), Australia's largest company and biggest industrial employer, standing before the Industries Assistance Commission (IAC) in Melbourne, virtually cap-in-hand, asking for help.

Tide of recession sweeps over Brazil's grand economic strategy

BY ANDREW WHITLEY, OUR BRAZIL CORRESPONDENT
ACTING ALMOST like some latter-day Canute, for many months Brazil successfully defied the tides of international recession, and its ugly sister protectionism, with an export performance which amazed all outsiders.



Between January and June Brazil recorded a small trade surplus of \$295m—and thus kept alive the prospect of ending the year in the black—against an official forecast for the year of a \$80m surplus. But this achievement was only possible because imports fell at an even faster rate than exports, particularly in key areas such as chemicals, reflecting the depressed state of the internal economy.

Handwritten Arabic text: هكذمان الديل

سكواك الصلح

Thatcherite attacks Prior for call to aid industry

BY PETER RIDDLE, POLITICAL EDITOR

MR JAMES PRIOR, the Northern Ireland Secretary, came under fire yesterday from a prominent Thatcherite back-bencher for his weekend remarks urging Government action to boost industry's confidence.

There were all the signs yesterday that Mr Prior's warning about the economy and long-term unemployment marked the beginning of a lively debate in the next three months, both within the Cabinet and on the back benches.

Sir William Clark, chairman of the Conservative back-bench Finance Committee and a leading supporter of the present economic strategy, said Mr Prior was "barking up the wrong tree and was extremely unhelpful."

Mr Prior was in a minority position in the party in saying that more money should be put into the economy, he said. "The overwhelming majority of the Conservative Party is in agreement with the present economic strategy of the Government."

Any argument critical of the Government, such as Mr Prior's comments, must aid the Opposi-

tion. Sir William said: "In one breath" Mr Prior did not want reflation, but in another urged spending "more on this and more on that." Taxpayers would have to find the money.

These comments reflect the views of a sizeable group of Tory back-benchers, but a significant number agree with Mr Prior. Their views are likely to be put in a number of speeches in the coming weeks.

While Mr Prior said he was astonished that Mrs Thatcher retained him in the Cabinet, the answer is, as he implied, that she believes he might be more dangerous to her on the back benches, as leader of the critics.

In the code language of the Tory Party Mr Prior was careful to avoid too open a split, by stressing that he rejected general reflation, though calling for specific help for industry. Opposition speakers gleefully seized on Mr Prior's comments.

Mr Gerald Kaufman, Shadow Environment Secretary, said that Mr Prior spoke for a number of ministers trying to get a change of policy. These changes would not meet what

Labour was looking for, but they were a step in the right direction.

Mr Jack Straw, an Opposition Treasury spokesman, referred to what Mr Prior said about the economy as a slap in the face for the Brittan-Howe view that there was evidence of recovery all round.

Mr Prior's statement confirms the Labour Party analysis of what is wrong with the economy - a collapse in demand. What we want to see from Mr Prior is rather more action and rather less hand-wringing."

Mr Giles Radice, an Opposition employment spokesman, said in a statement to his local Labour Party: "The harsh reality is that we are on the edge of economic, industrial, and social collapse."

Without an early change in policies it will become more and more difficult to bring about a lasting recovery."

Reflecting Labour's desire to emphasise its closeness to CBI views, Mr Radice stressed the growing consensus of opinion that there must be an investment-led stimulus to the economy.

Statement on Howden Group audit due today

By John Moore, City Correspondent

THE INITIAL findings of a controversial and wide-ranging audit into the affairs of Alexander Howden Group, the UK insurance broker, will be announced today by Alexander & Alexander Services, the U.S. insurance broker, which acquired the firm earlier this year.

The audit, described as a "fair value audit," has caused an unprecedented amount of speculation and rumour in London and U.S. insurance markets.

The U.S. group has asked auditors Deloitte, Haskins and Sells to probe the accounting practices and businesses of Alexander Howden before its £150m takeover of the firm earlier this year.

It is said to be designed to establish what is real value and what is goodwill within the UK group.

Roger Van Donck, speaking at the audit is examining whether Alexander Howden insurance companies will need further injections of capital to bolster their reserves following extensive reinsurance claims made against the companies by other Howden insurance companies.

Howden insurance companies reinsure a major part of the portfolio of insurance business of the Lloyd's underwriting syndicate number 127, formed of more than 3,500 members, which is part of the Howden empire.

The auditors are also examining the labyrinthine structure of the Howden subsidiary companies. More than 200 subsidiaries within the Howden empire have established extensive trading links with each other and the auditors are examining the complex relationships as well as the shareholding links between Howden and other companies.

Production of static computers and refuse transfer stations will be phased out - hence the job losses.

Lloyd's officials are understood to be monitoring the situation closely. It has already caused concern among numerous underwriting agents who have introduced members of Lloyd's to Howden syndicates. When it announces its Howden findings today, Alexander & Alexander will also reveal its results for the first half of its financial year.

In New York the U.S. group, which had been expected to make its announcement yesterday, said the statement had been delayed.

Oil revenues likely to be higher than official forecast, says study

BY RICHARD JOHNS

GOVERNMENT oil revenues are likely to be £1bn to £2bn higher in this financial year than officially forecast, according to a study by stockbrokers Scott Goff Hancock.

Another appraisal in the latest edition of the Midland Bank Review reaches a broadly similar conclusion about the pessimistic assumptions underlying Treasury projections. The article concludes that pre-budgetary forecasts could be exceeded by 20 to 40 per cent.

Even under the worst conditions envisaged in Scott Goff Hancock's computerised study, government revenue would be just more than £7bn in 1982-83 and almost £8bn in 1983-84. Such an outcome would be on the basis of the North Sea oil price remaining at \$32.50 and the sterling exchange rate rising to \$2.

That would compare with revenue of £6.2bn and £6.1bn for the two years respectively projected in the Treasury's Financial and Statement and Budget Report. The actual return for 1981-82 was £6.4bn.

The stockbrokers' study emphasises the "accelerating effect" on government revenues as oil prices rise or the sterling exchange rate falls against the dollar because of the very large oil revenues available to companies in the early part of the life of a field. "The higher the govern-

Exchange rate (\$/£)	North Sea oil price assumption (\$ per barrel)	Government revenue 1982-83	(£bn) 1983-84
2.00	33.50	7.1	8.0
1.90	32.50	7.3	8.6
1.80	33.50	7.6	9.2
1.75	33.50	7.8	9.5
1.70	33.50	8.0	9.9
1.60	33.50	8.4	10.7
1.50	33.50	8.8	11.5

Source: Scott Goff Hancock

ment revenue figure in 1982-83, the faster it is likely to grow in 1983-84, provided that there is no fall in oil prices or rise in the exchange rate in 1982-83 in the meantime."

It points out that both the exchange rate and the price of oil have moved favourably so far as revenues are concerned. Also Scott Goff Hancock believes official assumptions about production to have been "very pessimistic," while official estimates relating to exploration spending and development to have been on the high side.

Treasury forecasts are based on an output of 90-105m tonnes in calendar 1982 (1.8-2.1m barrels a day), 90-115m tonnes (1.8m-2.3m b/d) in 1983, and 95-125m tonnes (1.9-2.5m b/d) in 1984. Actual output in the first six months of this year was 49.39m tonnes (equivalent to nearly 2m b/d over a full year).

Intention to sell state airline is reaffirmed

By Lynton McLain

THE GOVERNMENT reaffirmed its intention yesterday to offer British Airways for sale by the end of next year.

British Airways said that its latest plan for a total staff of 25,000 by March 31 next year, a cut of 7,000 staff, announced last month was the optimum figure needed to maintain the existing network of routes and air services.

Sir John King, the chairman of the airline said yesterday that suggestions that further redundancies were being considered were further considered were.

He said: "The current target of 25,000 jobs by March was still the plan and was based on assumptions of no growth in the airline business. We have no thoughts about going beyond this."

Mr John Spratt, the Parliamentary Under Secretary for Trade responsible for civil aviation, has set himself a personal target date of September 15 1983 for the offer of British Airways for sale to the public. This is two years to the day he was given the job by Mrs Thatcher and although it is a personal target, he is adamant about selling as much of B.A. as possible as soon as possible and certainly by the end of the year, the Trade Department said.

This is despite forecast total losses by the state-owned airline of about £200m for the past financial year. The figure includes £125m for payments for the 4,000 staff who have taken voluntary redundancy since last autumn, over £100m in interest payments and an operating loss of at least £100m.

The BA annual report for 1981-82 is not expected to be published until early October, but the BA staff who have taken voluntary redundancy since last autumn, over £100m in interest payments and an operating loss of at least £100m.

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BSC 'in California steel buy-out talks'

BY LOUISE KEHOE IN SAN FRANCISCO

NEGOTIATIONS are said to be going on between British Steel Corporation and a group of steel workers in California with a view to financing an employees' buy-out of Kaiser Steel, a steel production and processing company.

Both Kaiser Steel and legal advisers to the Kaiser Employees' Stock Ownership Plan confirmed that negotiations with British Steel were underway, though in London British Steel denied that it was negotiating either with Kaiser Steel or with the employees.

The worker buy-out plan at Kaiser Steel was proposed in December after an announcement by the company that it intended to speed plans to shut steel production at Fontana.

Although Kaiser Steel rejected the employees' proposal, the trade union representing the employees, the United Steelworkers of America, has gone ahead with plans to finance a buy-out.

Workers have been asked to make individual contributions, and the union wants further

Switch at Powell Duffryn

ABOUT 100 jobs will be lost in a refuse disposal vehicles reorganisation by the Powell Duffryn group.

Next year the group will launch in the UK the Mainline range of vehicles, built in Holland by Geesink, a Powell Duffryn subsidiary.

Another subsidiary making refuse disposal equipment is Powell Duffryn Engineering, of Llantrisant, South Wales. The activities of this and the other subsidiaries are to be brought together.

Production of static compactors and refuse transfer stations will be phased out - hence the job losses.

Lloyd's officials are understood to be monitoring the situation closely. It has already caused concern among numerous underwriting agents who have introduced members of Lloyd's to Howden syndicates. When it announces its Howden findings today, Alexander & Alexander will also reveal its results for the first half of its financial year.

In New York the U.S. group, which had been expected to make its announcement yesterday, said the statement had been delayed.

British Standards code covers offshore building

BY MARK WEBSTER

THE British Standards Institution has published its first code for construction of offshore facilities, which may have far-reaching implications for the oil and gas industry.

There was widespread consultation with the companies concerned after publication of a draft for development on the same subject, which attracted an enthusiastic response, the institution said yesterday.

Some suggestions in the new code are made in the light of such disasters as the capsizing of the Alexander Keilland oil rig in the North Sea in 1980.

Though primarily aimed at fixed structures, the code will apply to a much wider range of offshore buildings.

It is intended for use by or under close supervision of an experienced engineer, but is not so much a textbook as a guide to certain features of the industry.

Recent developments have influenced recommendations, particularly on welding of steel in a relatively new field of engineering.

The code has ten sections, beginning with an outline of fundamental inventory and preparatory work on meteorology and oceanography, loading conditions and site investigation.

The information was collected in the sea round Great Britain and Ireland, with international collaboration, and should be a guide for gathering data elsewhere.

To determine the characteristics of the sea bed and sea bed materials as they would affect building of a fixed offshore structure.

The institution says that a code of practice in an area of such rapid change is doomed to obsolescence, and should be regularly updated.

BS 6235, from BSI sales department, 101 Pentonville Road, London N1 9ND, £24.

Receivers find buyer for luggage maker

By James McDonald

THE BUSINESS of Spartan Luggage Company which was put into receivership last January has been sold following rationalisation of its production facilities, the joint receivers said yesterday.

The sale, for a undisclosed sum, was to a nominee company called Teakspire.

It secures the jobs of about 100 employees of Spartan Luggage, which is based in Yishuf, Devonshire, an area of high unemployment, said Mr Stanley Samwell and Mr Stephen Adamson, the receivers, of Arthur Young McClelland Moores and Company.

Mr Samwell said last night he could not reveal the name of the buyer behind Teakspire, "an off-the-shelf nominee company." The buyer was not another luggage manufacturer but a group diversifying.

Factory's three-day week hits Cumbernauld jobs

BY ANDREW TAYLOR

CUMBERNAULD New Town, near Glasgow, suffered another jobs setback yesterday when JLG Industries, for some years seen as one of the area's greatest industrial success stories, announced a three-day week at the end of August.

The company which makes self-propelled aerial work platforms, employs about 120. It appeared one of the few companies in Cumbernauld to be unscathed by the recession.

Last year it received the Queen's Award for Export. It is understood that many of its machines are unsold and that the company, American-owned, will intensify sales efforts in the next few months.

The company headquarters is in Pennsylvania. It came to the town in 1977, and opened a small factory to serve Europe. It expanded and moved into a purpose-built 43,000 sq ft factory on Westfield Industrial Estate.

Building material sales setback

BUILDING material sales slipped in June after several months of improvement, according to figures published yesterday by the Builders Merchants Federation.

The figures appear to support the views of building and civil engineering leaders who have said that the slight recovery in confidence enjoyed by some sections of the construction industry in the spring has not been maintained.

Sales of building materials in June were 0.2 per cent lower than in the same month last year, according to the federation.

"The June figures reverse the upward trend of previous months. In March, sales were 1.3 per cent higher; in April, 4 per cent higher; and in May 4.4 per cent higher than in the corresponding months last year," said Mr Reg Williams, the federation's director.

But he took encouragement from the recent decline in home loan interest rates and hoped the June fall in material sales would prove only a temporary setback.

The recent rise in sales - deliveries of bricks and cement in the second quarter of this year were the highest for almost two years - appears to conflict with recent pessimistic statements made by the Federation of Civil Engineering Contractors and the National Federation of Building Trades. Employers about the lack of recovery in the construction industry.

One explanation for this apparent discrepancy is that the spring recovery was generally restricted to small building works such as house extensions or home improvements - jobs which might be expected to fall

Drilling project

THE Financial Times yesterday carried a report on the front page headlined: Elf and Total set for £1.7bn drilling project. This headline was inaccurate. As the report below correctly stated, the £1.7bn figure refers to the total cost of developing the North Alwyn field in the North Sea - a project to which Elf and Total are now putting the finishing touches. The drilling programme for the two is proposing is for the South Alwyn reservoir.

Reports of an improvement in sales of bagged cement during the second quarter, would appear to point to a rise in activity for small-scale building works.

There is, however, concern among some construction industry leaders that the recovery in private housing starts enjoyed earlier this year has been showing signs of faltering in recent months, although it is expected that the fall in mortgage rates may give the industry a further boost.

The recent pessimism among building and civil engineering leaders mirrors the lack of confidence in the economy expressed by other industries, and in particular by the Confederation of British Industry.

within the black economy and would therefore not show up in construction employers' workload surveys.

The recent pessimism among building and civil engineering leaders mirrors the lack of confidence in the economy expressed by other industries, and in particular by the Confederation of British Industry.

that at July 31, advances offered but not completed amounted to £591m, compared with £459m at the end of January.

The society says this has been accompanied by a "modest but steady" increase in average house prices in recent months.

Meanwhile, the movement's ability to attract funds is reflected in a net investment inflow to the Halifax of £1.024bn in the six months under review, against £628m and £602m respectively in the first and second halves of 1981-82.

Assets at July 31 were £12.96bn, an increase of 8.8 per cent during the half year. Liquid funds were 19.1 per cent of assets.

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Halifax lends a record £1.32bn

BY WILLIAM COCHRANE

THIS YEAR'S upswing in the UK housing market is reflected in record half-year lending by the Halifax, Britain's largest building society.

That Halifax reports that advances totalled £1.32bn in the six months to July 31, £176m more than in the first half of 1981-82.

It expects this level of lending to continue over the rest of the year, partly because of the reduced mortgage rate. Last year's second half total was £1.03bn but the housing market was then in decline.

as first-time buyers," says the society.

First time buyers, particularly younger people, feature strongly in the figures. They account for 52.6 per cent of loans by number.

People aged 25 years or younger account for 25.3 per cent of loans.

The Halifax says 27.7 per cent of the loans were on properties built before 1919.

In total, new mortgages were completed on more than 74,400 properties, compared with 71,316 in the first half of 1981-82.

Overall demand for mortgages continues to be buoyant. This is illustrated by the fact

UK NEWS

LABOUR

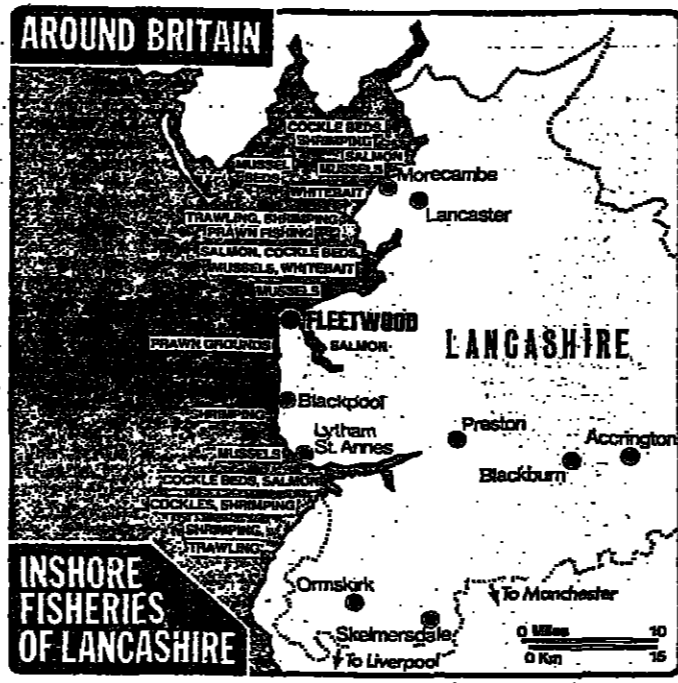
Fleetwood fishing is lined up for survival

Ian Hamilton Fazey finds that reports of an industry's imminent demise were exaggerated

MR Peter Hesketh-Fleetwood... in 1938 to build... a small town on a... of the river Wyre...

seemed to be doomed and the... unemployment rate of 13.7 per... cent looked like soaring.

Lancashire Enterprises, the... service company for industrial... development set up in March...



There is a strong if unofficial... belief that middle-distance... fishing will resume from Fleetwood...

Civil servants' wages estimated at 15% behind private sector

BY PHILIP BASSETT, LABOUR CORRESPONDENT

CIVIL SERVANTS MAY BE... being paid 15 per cent less than... their counterparts in the private...

of Megawatt a range of factors... to be set against these outside...

record civil servants would be... unlikely to take advantage of...

Fleet Street union 'not liable'

BY OUR LABOUR CORRESPONDENT

GOVERNMENT LEGAL... officials believe that even if the... present Employment Bill were...

suppl. claims because the Bill... lists very specifically who can...

action was by branch, and not... the whole union, might be...

Date set for end to car parts monopoly

BY JOHN GRIFFITHS

CARMAKERS and importers... will be a further round of... retrenchments in the face of...

Process industries reduce spending

By Ian Rodger

CAPITAL expenditure and... future spending plans by... Britain's major process industries...

Private hospital cuts charges for Britons

BY RAYMOND SNODDY

A PRIVATE HOSPITAL in... London is cutting the cost of... treatment for British patients...

Foot plan for register backed

By John Lloyd, Labour Editor

THE REPORTS of Mr... Michael Foot, the Labour... Party leader, to set up a...

Poll boost for health service pay campaign

BY DAVID GOODHART, LABOUR EDITOR

EIGHT out of ten Britons... believe that nurses should be paid...

Labour Party staff action

BY JOHN LLOYD, LABOUR EDITOR

LABOUR PARTY staff are... to stage a strike because of...

BR may introduce space invaders on trains

BY JAMES McDONALD

BRITISH RAIL is considering... installing space invader... machines on trains.

Stock Exchange probing dealings in brick maker

BY RAY MAUGHAN

THE STOCK EXCHANGE is... making a preliminary investigation...

Barclays' Saturday opening 'success'

BY BRIAN GROOM, LABOUR STAFF

BARCLAYS BANK claimed a... victory yesterday when its...

Gallaher to raise price of tobacco next month

BY LISA WOOD

GALLAHER, Britain's second... largest tobacco company, is to...

Belfast enterprise zone boosts job opportunities

BY OUR BELFAST CORRESPONDENT

ABOUT 50 job opportunities... of which only 10 could be counted...

Belfast enterprise zone boosts job opportunities

BY OUR BELFAST CORRESPONDENT

Mr Mitchell said 25 acres of... land, on the 190-acre section of...

Belfast enterprise zone boosts job opportunities

BY OUR BELFAST CORRESPONDENT

The inner city section of the... zone was less attractive but...

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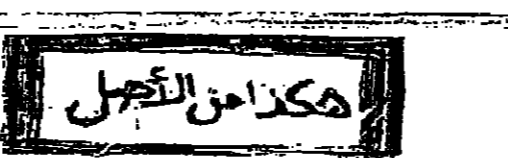
BY OUR BELFAST CORRESPONDENT

Mr Mitchell said 25 acres of... land, on the 190-acre section of...

Belfast enterprise zone boosts job opportunities

BY OUR BELFAST CORRESPONDENT

The inner city section of the... zone was less attractive but...



Handwritten signature or mark in a box.

THE ARTS

Tate Gallery/William Packer

De Chirico's reputation confirmed but not challenged

The great artist does not, cannot, invariably produce masterpieces, and all artists are more than capable of making bad art. This is a natural and reasonable condition...

Which makes the case of Giorgio de Chirico all the more strange. He lived to a great age, dying at 90 in 1978, the last year of Modern Painting's heroic age...

And yet that critical position rests entirely upon the work he produced as a young man, first in Paris and then in Rome, in somewhat under ten years after 1910. It is the same span as Van Gogh's working life...

The received wisdom is that de Chirico's creative vision fled as abruptly as it had visited him those few years before, and though a flicker of interest could be detected now and again for a year or two...

The position was taken up early and the prejudice survived as William Rubin, director of painting and sculpture at New York's Museum of Modern Art and prime mover of the de Chirico Show now at the Tate...



The Child's Brain and The Seer, two of Chirico's early paintings in a fascinating exhibition



paintings in the 1920's and some interesting ones—here and there—even later. For this reason, I have broken with the Museum of Modern Art tradition and included a small selection of post-1918 works in the exhibition...

art-school academism has more than a little of the New Realism of the 1930s, returning to the complacency as it were of the 'Metaphysicals' earlier and direct influence upon the emergent painters of the Neue Sachlichkeit...

betrayal to the newly embodied. And so it that this exhibition confines itself unashamedly to the work de Chirico made before 1920, with only a pendant of later work, inevitably more puzzling than it is enlightening...

nothing of Matisse, nor of Picasso, it does not come from the Impressionists. This originality is new enough to be pointed out. M de Chirico's very sharp and very modern perceptions generally assure an architectural form. There are railway stations adorned with clocks, there are rowers, statues...

ably empty, silent squares, the objects they hold collected in a dream and thrown together in an unspeakable association. How fascinating it all is, and how easy in our first shocked enchantment to see nothing and only read the images, to try to conceive of only what they might mean and not of what they are...

The heavy, brooding atmosphere in that last evening light, the dark station arcade under its clear sky immanent with the sense of departure and irrecoverable loss, is a confection of tone, texture, colour all most exactly judged, and the drawing just firm and simple enough, the right side of crudity. Everything is left to stand for itself quite beyond the reach of psychological analysis and explication...

There is less that is literary to these works than we might at first suppose, or our long habituation to the indulgence of surrealism, which they profess so clearly, might lead us to imagine. For the explanation, the rationale, is explicitly rejected: "Now every time I look at this picture," he went on, "I see that moment once again. Nevertheless, that moment is an enigma for me, in that it is inexplicable."

Idea may often be the vehicle for art, but never its substance: rather it is the clarification, the crystallisation, indeed the realisation of experience that lies so close to its heart, that which makes us share with de Chirico his confessedly "almost morbid sensitivity."

Béatrice et Bénédict/Festival Hall

Max Loppert

Simon Rattle's second season as artistic director of South Bank Summer Music has thrown up what looks, on paper at least, to be the most attractive and inventive schedule yet composed for the series...

Béatrice's caprice written with the point of a needle" (as he himself described it) finds its way sadly seldom into the opera house. The familiar difficulty of finding opera performers who can speak lines and sing them with equal expressive facility is exacerbated, if the work is given in translation, by an English audience's likely familiarity with the Shakespeare text...

It was a choice collection of singers (with more than one Glyndebourne name, plus Mr Rattle, to lend the impression of a Glyndebourne shewn to the world) that was the result...

The marriage of media was not an enterprise: Philip Langridge in his best deft manner, a Benedict, beautifully judged contributions from Lilian Watson (Hero) and Alfred Hodgson (Uralta), and, above all, the Beatrice of Maria Ewing—sung without a trace, touched with a musical nuance, a bewitching and completely imagined realisation that, no less than Miss Suzman's activities, brought the character to life before our eyes with the flick of an eyelid.

quartet of actors (Cherie Lunghi, Michael Pennington, Edward Petherbridge) was Janet Suzman; even in truncated form, there was a sufficient sample of her marvellous Beatrice to revive charmed memories a decade old of her Aldwych performance.

But the music was the thing, and it was here delivered with an understanding of its peculiar grace—its combination of diaphanous scintilla and needle-points of brilliant colour, its vein of tender serenity pierced with melancholy, the sense that such an evanescent tissue of music is at the same time a cornucopia of authentic Berlioz melody—that is rare even in these days of widespread Berlioz sympathies. Mr Rattle is one of nature's Berliozians: the disposition of his City of Birmingham orchestra necessitated by the Festival Ballet prosecution may have spread and thinned the orchestral sound out, but it entirely failed to prevent the conductor from regularly touching off the miraculous interplay of humours and colours. Mr Rattle was with his sinners every inch of the way; all seemed caught up in the special glow of the opera.

Young Composers ICA

Andrew Clements

An evening devoted to the work of young composers has become a regular feature of the MusicA series, and Sunday's programme brought round again several names from previous seasons. If the four works could be said to share a common theme it was that of homogeneity: pieces for four saxophones, four oboes, violin and viola. The fourth piece, Nicholas Wilson's Trauma, was very much a law unto itself.

Only Douglas Young's Shere League for violin and viola had been performed before, and that was a late addition to a new work by Helen Roe for the same combination that could not be prepared in time. It is one of Young's most immediately approachable and consistent recent works, written expressly for Alexander Balanescu and Elizabeth Perry who played it here, it treats the two instruments as a single unit, with figuration dovetailed between them. It owes something to the ideas of process music, though the continuity such a description implies is frequently broken by more extravagant gestures; the requirement for unprecisely ensemble and equally weighted instrumental voices is however common to both.

John Harle's The Bell Jar for oboe quartet (the Trio Cannolo with Quentin Poole) uses process techniques more consistently. Whether or not the title implies a programme or a literary inspiration (Sylvia Plath's novel of the same name possibly?) was not disclosed. For this listener a group of oboes conjures up unfortunate reminders of French neoclassicism, à la Milhaud or Francœur. Harle's work began in the same light-hearted way, but gradually became more serious, as individual lines detached themselves from the ensemble to unfold lyrical melodies. Simon Savanna's The Street treated a saxophone quartet (the Myrtha Quartet) more exhaustively, exploiting a full range of possible effects and arriving at a tightly organised suite of movements with definite blues inflections at several points.

Gala in Regent's Park

The yearly Music Hall Gala, Park Folies, will be held at the Open Air Theatre, Regent's Park on Sunday, August 22. The star names on the programme include Kenny Everett, Peggy Mount, Paul Eddington, Lesa Goddard, Alvin Stardust, Deryck Guyler, Kate O'Mara and Patrick Ryecart. The show is directed by Christopher Bigsby with Peter Spraggon as the chairman.

La Petite Bande/Albert Hall

Richard Joseph

The first question usually asked when a foreign soloist or ensemble well-known on disc makes their British debut is "Do they sound like their records?" For La Petite Bande, a largely Belgian and Dutch chamber orchestra specialising in authentic baroque performance, the answer is no. Heard on Radio 3's live relay from the Proms, they sounded better.

The ensemble is about ten years old. Because each of the players is a well known soloist and teacher, it meets infrequently. Yet on Sunday night it produced a marvellously unified, compact sound. The playing was subtle, sensitive aware of current ideas about 18th century performing practice without becoming either mannered or discreet.

Slight, but natural-sounding pushings ahead and pullings back enlivened the generally comfortable speeds chosen for J. S. Bach's First Suite.

Dynamics were similarly indicated, never stabilised. Though this might sound like a potentially dull catalogue of negative virtues, the character of each of Bach's dance movements was fully realised; the Minuets were shaped with a

proper touch of artificiality, the Fortasse was invigoratingly breezy. In every movement of this work, and in Handel's Concerto grosso Op. 3 No. 2, La Petite Bande's oboes and bassoons made one forget the inherent difficulties of their unkeyed instruments. Indeed, the woodwind produced results that British ensembles usually obtain only with the assistance of a good tape editor.

Violin staccato in the Handel had a unanimity that was surprising considering the lack of chain reed, which meant that the bow could bounce only at a less than comfortable angle. In the second Passaggio of Bach's Suite, the unison violins, low on their G and D strings, produced a sound that can only be described as gorgeous.

In these works, as in Rameau's suite from the opera Hippolyte et Aricie which ended the concert, La Petite Bande's playing was not the "revelation" we used regularly to expect from such archeological ventures.

It was instead an experience of great pleasure.

Munich Interlude/Ronald Crichton

Rare Schumann, favourite Rosenkavalier

Anyone wanting to skim the cream of Bayreuth, Munich and Salzburg in successive visits to the three festivals is bound for disappointment. In theory it looks easy—an air ticket to Munich and comfortable rail journeys (but you must still change for Bayreuth) to the other two. But programmes aren't built that way. By the time I got to Munich, the Moses and Aton (sold out after the first night, I was told) and the revival of Edk's Peer Gynt which were this year's less conventional attractions, were over.

I caught the second of two concert performances of Schumann's opera Genoveva, belatedly emerging from the mire of incomprehension. The Munich Generalintendant, Sawallisch conducted, with less lyrical intensity than Masur on the EMI recording reviewed here some time ago, but with sharper perception of the humour that is an unexpected ingredient in this strange, endearing, elliptical, often extremely beautiful Romantic document. It was Meyerbeer whom Schumann detested and feared but it was

Wagner, of course, who eclipsed Genoveva. Smallish cast, fine choruses, four acts with built-in dinner interval—why does Glyndebourne not have a try?

Sawallisch had two big soloists also heard in the recording—Fischer-Dieskau as the nearly-echoed Count Siegfried, Peter Schreier as the unreliable steward Gold. Both remain masterly, neither is quite so sweet in tone as before. Poor Genovevè was the Czech soprano Gabriele Benacková, limpid and touching without the deep sadness of the remarkable Pádra Mosey on the records. Wolfgang Brendel, Germany's answer to John Tomlinson, lent his strong tones to the rowdy steward of Bishop Hidulfus of Trier. A new-to-me, Mariana Lipovsek, made more than one could have imagined of the villainess Margaretha. The chorus was imported from Düsseldorf, where Schumann was as music director not long after writing Genoveva.

Has there been a better post-war Rosenkavalier than the Munich staging by Otto Schenk? Traditional but not feebly so,

smooth and spontaneous details which can easily grow out of proportion perfectly placed in lovingly, knowledgeably naturalistic sets by Jürgen Rose. The first-act Marchallin of Gwyneth Jones has a fine distinction of head and hand, the second act has effortless moments, with a tendency to peck at notes that might give difficulty. Brigitte Fassbaender's Octavian has a strength and a hint of burliness that make other gifted interpretations of this role seem sketchy. Kurt Moll's Ocho has strength, too, the strength to sing the music cleanly and refuse to clown. Helen Donath now takes Sophie in place of Lucia Popp. Not a bubbling girl but a radiant, determined young woman, the vocal line all of a piece.

Even so, one boggles at the seat prices. This Rosenkavalier has been in the repertoire for 10 years; £52 for a side stall where the Nationaltheater acoustics made the violins go glassy and snap the ensemble in two. I had already seen this production some years ago. A second look was, I admit,

prompted by sentimental memories of my first Munich Festival 50 years ago. Beecham, as guest conductor, directed a Zauberflöte in the old Residenz (now Cuvillies) Theater and still more notably, a fine concert consisting of a Haydn symphony, Brigg Fair and Heldenleben. Strauss was in the audience, together with conductors Krauss and Knappertsbusch and some of the glamorous Munich singers.

After the rousing Heldenleben, the excitement of which, including a hugely affirmative "Amen" after the battle scene, I can still recall, the composer was called to the platform to receive, with the conductor, wreaths of laurel. Strauss went pink with embarrassment. Beecham behaved as though such things came his way every evening. Afterwards I followed Strauss and one other conductor (Krauss, I think) through the streets towards the Vier Jahreszeiten Hotel. Strauss looked over his shoulder to see who it was but I was too shy to ask for autographs. I regret that now.

THEATRES

A large section containing theatre listings for various venues such as Barbican Hall, Haymarket Theatre Royal, and Apollo Victoria. It includes show titles, cast members, and ticket prices. On the right side of this section is a crossword puzzle titled 'F.T. CROSSWORD PUZZLE No. 4950' with clues for both Across and Down directions.

TECHNOLOGY

EDITED BY ALAN CAINE

THERMOCELL

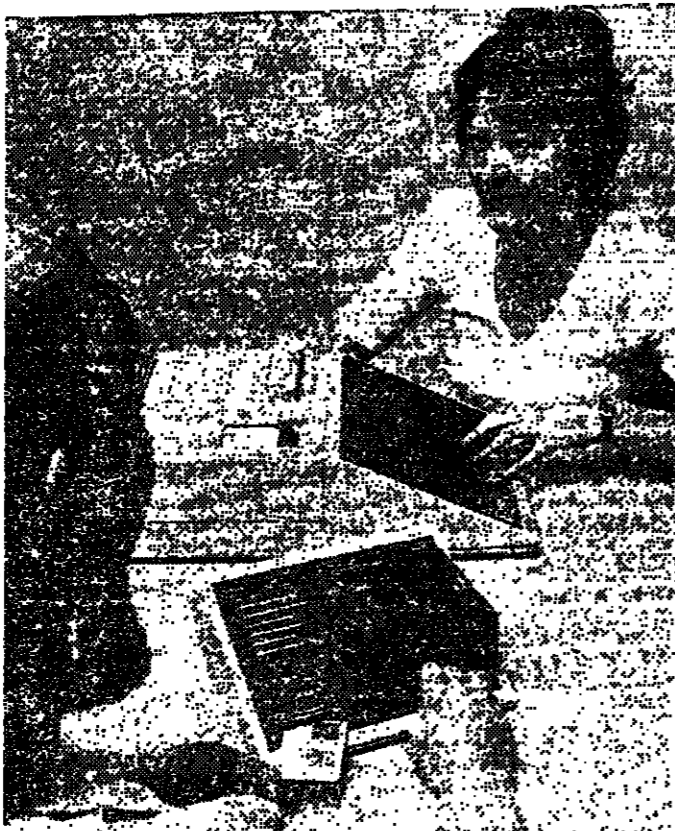


For full details phone: Tom Allison on 0904 53651. Stansbone House, York YO12NP

French system may make cheque books redundant Philips first off the mark with the 'smart' card

BY GEOFFREY CHARLISH

IN THE autumn, a trial is to start in three French towns of electronic systems that are aimed at dispensing with the cheque book altogether...



Shoppers in Caen, Normandy, will soon be using this small terminal and their 'smart' card instead of paying by cheque. It works in conjunction with the retailer's terminal...

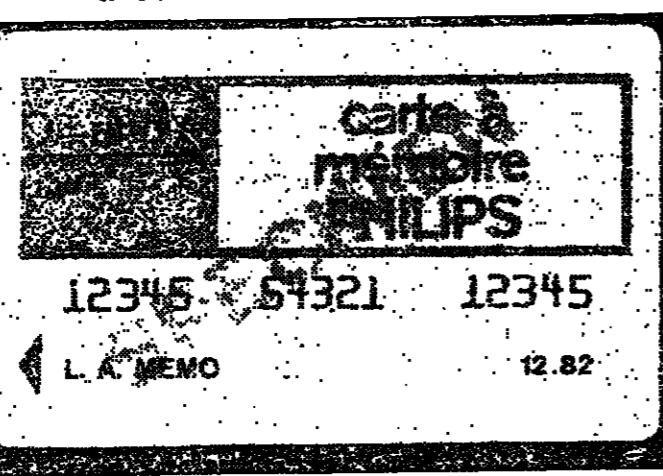
The French banks and PTT are the driving forces behind the 18 month trials, which will deploy systems developed by CII Honeywell Bull, Philips and Schlumberger.

Philips appears to be first on the market with details of its Caen Normandy trial in which 250 retailers are to be provided with terminals and some 50,000 of the cards are to be issued to residents.

All the Caen banks will be taking part and the project is backed by the French Government.

News about the so-called 'smart' card has been a little spasmodic since its French inventor, Roland Moreno, made announcements exactly three years ago through backers Societe Innovatron in Paris.

Since then all three of the trial companies have bought licences and it has been known for over a year that Philips was developing a system.



When a card user exceeds his limit, the card is told as soon as it is inserted in the terminal. The transaction is then blocked.

Instead of a cheque book, each bank customer is issued with a card and a personal identification number (PIN). The card is built into a small manipulator data about transactions in microcircuits that are housed within the 0.7 mm thickness of the card—a remarkable achievement.

When issued at the bank the card is given a revolving financial limit by an authorised executive who uses another card, with its own PIN, for security purposes; no one else can authenticate the customer's card.

The financial limit and the PIN can be changed once in the life of the customer's card; the PIN might become prejudiced or the user might go up or down in the world.

When the user makes a purchase, the retailer keys in the amount on his machine, the holder inserts the card into the other terminal and immediately keys in his PIN, which he can do unobserved by virtue of the built-in hood.

The within a matter of seconds the machine 'swallows' the card (completely). The plastic-embedded circuit debits itself, is given the exact, electronic equivalent of a cheque book. Data from the Cartette goes into the bank's mainframe computers in the usual way, and the customer gets his bank statement in the usual way.

Film and video Culture and consequence

BY JOHN CHITTOCK

SOME new and rather profound arguments are surfacing about video and its relationship with film and other media. One of these concerns the dialectical question: 'What is a video programme not a video programme?'

That particular question has caused some heated debate between members of the British Industrial and Scientific Film Association, which this year organised the International Video Festival and the British Sponsored Film Festival.

One view says that video programmes must have been largely originated on video (ie, through an electronic recording system); another says that it doesn't matter if it was shot on film, videotape or perforated sheets of paper from an adding machine as long as it is primarily intended to be distributed on video (eg, as videocassettes).

The discussion is initially important because it affects the rules of entry for festivals. Indeed, when is a video festival not a video festival? A programme is made on video but transferred to film for optical projection, what is it?

Last week I checked the TV and BBC Falkland videocassettes, one of which, from ITN and Granada, precedes any broadcast television documentary series which may follow on the commercial channel.

There is an even bigger cultural change occurring — if I take my dictionary definitions of culture which refer to arts and literature as well as the customs of people. Video is degrading the creative quality of the moving picture.

Because it is so easy to point a video camera and achieve a credible result, the disciplines of economy and planning which film used to impose have tended to decline. If I needed any reminder of this (which I didn't) it came when I made my own cultural readjustment last Thursday by viewing a whole batch of videocassettes before and after watching BBC's last episode of The Battle for the Falklands.

Quite intentionally, I chose a very mixed assortment — industrial video programmes, something for the home video market, a pilot for a children's programme, even two 'promo' cassettes.

FT COMMERCIAL LAW REPORTS

Coal Board pension scheme not liable for VAT

NATIONAL COAL BOARD v COMMISSIONERS OF CUSTOMS AND EXCISE Queen's Bench Division: Mr Justice Woolf: July 30 1982

WHEREAS AN employees' pension scheme provides that the employer's contribution is to be calculated on a basis which takes account of the cost to him of operating the scheme, a reduction in contributions to take account of his supply of services to the scheme's administrative body is not consideration for such supply and accordingly does not render him liable for value added tax.

Mr Justice Woolf so held when allowing an appeal by the National Coal Board from a tribunal decision that the board was correctly assessed for VAT by the Commissioners of Customs and Excise in respect of one of two pension schemes operated for the benefit of the board's employees.

Section 2 of the Finance Act 1972 as amended provides that VAT shall be charged on the supply of services by a taxable person. Section 6 provides: '(2) (a) Supply includes all forms of supply, but not anything done otherwise than for a consideration which is not a supply of goods but is a supply of services.'

HIS LORDSHIP said that the board operated two pension schemes for the benefit of its employees. They were the Mineworkers' Pension Scheme and the Staff Superannuation Scheme. The commissioners took the view that the board had been supplying administrative services under those schemes and assessed VAT at £912,466 on the mineworkers' scheme and £84,314 on the staff scheme from May 1 1975 to March 31 1981.

The tribunal upheld the assessment on the mineworkers' scheme, but allowed the board's appeal in respect of the staff scheme. Tax had never been paid on the staff scheme. The tribunal distinguished between the two schemes because tax was paid on the mineworkers' scheme until 1975, when it was amended to be brought into line with the staff scheme and to avoid payment of tax.

The board now appealed against the tribunal's decision in respect of the mineworkers' scheme, and the commissioners cross-appealed in respect of the staff scheme.

Although the alleged motive for the alterations to the mineworkers' scheme in 1975 was a desire to avoid payment of tax, there was no suggestion that they were not genuine alterations, or that they did not reflect the reality of how the scheme was operated. It was wrong for the tribunal to take account of the board's motive. Whether value added tax was payable must be judged objectively, having regard to the terms of the schemes and the board's activities.

It was not possible to distinguish between the two schemes. Accordingly the arguments advanced by the board in relation to the mineworkers' scheme only would be considered, the decision as to that being equally applicable to the staff scheme.

Mr Gardiner for the board contended that its activities did not amount to a supply of services, or if they did, they were not services supplied for a consideration within the meaning of the Finance Act 1972. Mr Collins for the commissioners argued to the contrary.

Under the mineworkers' scheme, but allowed the board's appeal in respect of the staff scheme. Tax had never been paid on the staff scheme. The tribunal distinguished between the two schemes because tax was paid on the mineworkers' scheme until 1975, when it was amended to be brought into line with the staff scheme and to avoid payment of tax.

The board, which had an interest in the successful operation of the scheme, performed its functions as principal and not in the capacity of agent to the committee. There could be no question of a supply in relation to functions carried out on its behalf. The performance of such functions might benefit the committee, but they were not supplied to the committee because they were the board's own responsibility.

However, if the board performed functions which were the responsibility of the committee, then they were a supply of services to the committee and were taxable unless supplied otherwise than for a consideration.

The board did supply such services and it was necessary to decide whether they were supplied for a consideration. Clause 20(3) of the scheme provided that 'the costs of management and administration by the board and the committee ... shall be borne by the board'; but proviso (iii) in clause 21(1) provided that the total amount payable by the board to the scheme should be reduced by a fair and reasonable sum having regard to 'the costs of managing and administering the scheme,' and to 'the cost to the board of services rendered by the board in connection with ... the scheme.'

Mr Collins contended that the proviso allowed the board to set off charges against the amount of contributions payable by the board, and that was sufficient consideration to create a liability for tax.

Mr Gardiner contended that the proviso did not more than provide for abatement of the amount which would otherwise be payable by the board. He said that it did not amount to consideration.

The answer depended on the proper construction of proviso (iii) in clause 21, together with clause 20. Clause 21 provided no more than a method of calculating the amount of the contribution to be made by the board to the scheme. Looked at as a whole the scheme was one whereby the board's contribution was to be calculated on a basis which took into account the cost of running the scheme.

The issues of supply and consideration were linked. With regard to that part of the board's activities which should not be categorised as a supply of services, the amount payable under the proviso could hardly be regarded as a consideration. The fact that some charges were not a consideration had to be deducted under the proviso, was an indication that the other charges should also not be regarded as a consideration.

On the construction of the schemes, the board's activities did not give rise to any liability to VAT. The decision could have been otherwise had the drafting of the schemes been slightly different. It was desirable that the statutory provisions should be altered so that in no circumstances would VAT be payable in respect of activities rendered by a pension fund.

The appeal should be allowed and the assessment set aside. For the board: John Gardner QC (Ronald V. Coles). For the commissioners: Andrew Collins (G. F. Gluck). By Rachel Davies, Barrister.

most. Awaasif looked extremely ill-at-ease on the gradients and canter at Epsom before rapidly making up ground on the climb to the Oaks finish; while Swiftfoot, Whiteford's daughter, recently came right back to her best in defeating Prince's Polly in the Irish Guinness Oaks. Swiftfoot may just hold Awaasif.

Prize; while half-an-hour later, Dick Hern saddles the three of the seven runners for the big fillies' race. Here it is interesting to see West Isley's jockey Willie Carson opting for Swiftfoot in preference to Height of Fashion.

The third member of Hern's party, Cut Loose, is ridden by the long-time stable jockey Joe Mercer. It was a year ago that Mercer teamed up with Cut Loose's owner, Sir Jackie Astor, and Hern to spring a 25-1 surprise in the St. Leger on Cut Loose's brother, Cut Above.

Under the mineworkers' scheme the board had the task of collecting contributions and paying benefits. The management and administration of the scheme was the task of the Committee of Management.

overall form is hard to fault. I rather doubt him having the pace to get in a decisive blow against Assent. Assent was in no way disgraced when narrowly failing to hold an outstanding older horse, Kalaglow, at the end of the King George VI and Queen Elizabeth Diamond Stakes, and may prove even more effective over this slightly shorter trip. I expect Eddery, Christy Roche, to drive him for the line early in the straight.

Returning to the Yorkshire Oaks, Awaasif and Swiftfoot are the two who interest me rather than the others. Awaasif is a decent horse, but having the pace to get in a decisive blow against Assent. Assent was in no way disgraced when narrowly failing to hold an outstanding older horse, Kalaglow, at the end of the King George VI and Queen Elizabeth Diamond Stakes, and may prove even more effective over this slightly shorter trip. I expect Eddery, Christy Roche, to drive him for the line early in the straight.

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RACING

BY DOMINIC WIGAN

ADDED prize money of nearly £200,000 is on offer at York today, where the Benson and Hedges Gold Cup and Yorkshire Oaks dominate as good as a cert as any likely to be seen this season.

The French and Irish Derby winner Assent will be seen at 3.05 pm attempting to regain winning form against Mr Fluorocarbon and five others in the 1m 2f furlongs Tobacco

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TELEVISION

BY DAVID CHURCHILL

Two very different views of courtship are in competition with each other tonight. ITV clears the schedule (by moving Selina Scott and friends to 9) to make way for the story of Anton Chekhov's long-range (by post) courtship of actress Giga Lyubov.

Earlier, a refugee from early morning schools broadcasts gets a rare chance at peak-time viewing. BBC-1 is showing the first part of three parts at 8.05 of J. B. Priestley's classic thriller An Inspector Calls. Having originally been produced for schools viewing, it just shows what you miss by being at work.

Meanwhile, Radio 4 at 8.20 recalls the Dieppe raid which took place 40 years ago. Frank Gillard, in Reconnaissance in Force, was the original BBC war correspondent who covered the controversial and ill-fated raid. Tonight he looks back on what happened and why it went wrong.

Tonight's Choice

6.40-7.55 am Open University (Ultra High Frequency only). 9.10 The Drak Peak. 9.30 Jack-anory. 9.45 Take Hart. 10.05-10.20 Why Don't You? 1.00 pm News. 1.30-1.45 Bagpuss. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Hong Kong Phooey. 5.05 John Craven's Newsround.

6.40-7.55 am Open University. 10.30-10.55 Play School. 10.55-11.00 News. 11.00-11.15 News. 11.15-11.30 News. 11.30-11.45 News. 11.45-12.00 News. 12.00-12.15 News. 12.15-12.30 News. 12.30-12.45 News. 12.45-1.00 News. 1.00-1.15 News. 1.15-1.30 News. 1.30-1.45 News. 1.45-2.00 News. 2.00-2.15 News. 2.15-2.30 News. 2.30-2.45 News. 2.45-3.00 News. 3.00-3.15 News. 3.15-3.30 News. 3.30-3.45 News. 3.45-4.00 News. 4.00-4.15 News. 4.15-4.30 News. 4.30-4.45 News. 4.45-5.00 News. 5.00-5.15 News. 5.15-5.30 News. 5.30-5.45 News. 5.45-6.00 News. 6.00-6.15 News. 6.15-6.30 News. 6.30-6.45 News. 6.45-7.00 News. 7.00-7.15 News. 7.15-7.30 News. 7.30-7.45 News. 7.45-8.00 News. 8.00-8.15 News. 8.15-8.30 News. 8.30-8.45 News. 8.45-9.00 News. 9.00-9.15 News. 9.15-9.30 News. 9.30-9.45 News. 9.45-10.00 News. 10.00-10.15 News. 10.15-10.30 News. 10.30-10.45 News. 10.45-11.00 News. 11.00-11.15 News. 11.15-11.30 News. 11.30-11.45 News. 11.45-12.00 News. 12.00-12.15 News. 12.15-12.30 News. 12.30-12.45 News. 12.45-1.00 News. 1.00-1.15 News. 1.15-1.30 News. 1.30-1.45 News. 1.45-2.00 News. 2.00-2.15 News. 2.15-2.30 News. 2.30-2.45 News. 2.45-3.00 News. 3.00-3.15 News. 3.15-3.30 News. 3.30-3.45 News. 3.45-4.00 News. 4.00-4.15 News. 4.15-4.30 News. 4.30-4.45 News. 4.45-5.00 News. 5.00-5.15 News. 5.15-5.30 News. 5.30-5.45 News. 5.45-6.00 News. 6.00-6.15 News. 6.15-6.30 News. 6.30-6.45 News. 6.45-7.00 News. 7.00-7.15 News. 7.15-7.30 News. 7.30-7.45 News. 7.45-8.00 News. 8.00-8.15 News. 8.15-8.30 News. 8.30-8.45 News. 8.45-9.00 News. 9.00-9.15 News. 9.15-9.30 News. 9.30-9.45 News. 9.45-10.00 News. 10.00-10.15 News. 10.15-10.30 News. 10.30-10.45 News. 10.45-11.00 News. 11.00-11.15 News. 11.15-11.30 News. 11.30-11.45 News. 11.45-12.00 News. 12.00-12.15 News. 12.15-12.30 News. 12.30-12.45 News. 12.45-1.00 News. 1.00-1.15 News. 1.15-1.30 News. 1.30-1.45 News. 1.45-2.00 News. 2.00-2.15 News. 2.15-2.30 News. 2.30-2.45 News. 2.45-3.00 News. 3.00-3.15 News. 3.15-3.30 News. 3.30-3.45 News. 3.45-4.00 News. 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1.15-1.30 News. 1.30-1.45 News. 1.45-2.00 News. 2.00-2.15 News. 2.15-2.30 News. 2.30-2.45 News. 2.45-3.00 News. 3.00-3.15 News. 3.15-3.30 News. 3.30-3.45 News. 3.45-4.00 News. 4.00-4.15 News. 4.15-4.30 News. 4.30-4.45 News. 4.45-5.00 News. 5.00-5.15 News. 5.15-5.30 News. 5.30-5.45 News. 5.45-6.00 News. 6.00-6.15 News. 6.15-6.30 News. 6.30-6.45 News. 6.45-7.00 News. 7.00-7.15 News. 7.15-7.30 News. 7.30-7.45 News. 7.45-8.00 News. 8.00-8.15 News. 8.15-8.30 News. 8.30-8.45 News. 8.45-9.00 News. 9.00-9.15 News. 9.15-9.30 News. 9.30-9.45 News. 9.45-10.00 News. 10.00-10.15 News. 10.15-10.30 News. 10.30-10.45 News. 10.45-11.00 News. 11.00-11.15 News. 11.15-11.30 News. 11.30-11.45 News. 11.45-12.00 News. 12.00-12.15 News. 12.15-12.30 News. 12.30-12.45 News. 12.45-1.00 News. 1.00-1.15 News. 1.15-1.30 News. 1.30-1.45 News. 1.45-2.00 News. 2.00-2.15 News. 2.15-2.30 News. 2.30-2.45 News. 2.45-3.00 News. 3.00-3.15 News. 3.15-3.30 News. 3.30-3.45 News. 3.45-4.00 News. 4.00-4.15 News. 4.15-4.30 News. 4.30-4.45 News. 4.45-5.00 News. 5.00-5.15 News. 5.15-5.30 News. 5.30-5.45 News. 5.45-6.00 News. 6.00-6.15 News. 6.15-6.30 News. 6.30-6.45 News. 6.45-7.00 News. 7.00-7.15 News. 7.15-7.30 News. 7.30-7.45 News. 7.45-8.00 News. 8.00-8.15 News. 8.15-8.30 News. 8.30-8.45 News. 8.45-9.00 News. 9.00-9.15 News. 9.15-9.30 News. 9.30-9.45 News. 9.45-10.00 News. 10.00-10.15 News. 10.15-10.30 News. 10.30-10.45 News. 10.45-11.00 News. 11.00-11.15 News. 11.15-11.30 News. 11.30-11.45 News. 11.45-12.00 News. 12.00-12.15 News. 12.15-12.30 News. 12.30-12.45 News. 12.45-1.00 News. 1.00-1.15 News. 1.15-1.30 News. 1.30-1.45 News. 1.45-2.00 News. 2.00-2.15 News. 2.15-2.30 News. 2.30-2.45 News. 2.45-3.00 News. 3.00-3.15 News. 3.15-3.30 News. 3.30-3.45 News. 3.45-4.00 News. 4.00-4.15 News. 4.15-4.30 News. 4.30-4.45 News. 4.45-5.00 News. 5.00-5.15 News. 5.15-5.30 News. 5.30-5.45 News. 5.45-6.00 News. 6.00-6.15 News. 6.15-6.30 News. 6.30-6.45 News. 6.45-7.00 News. 7.00-7.15 News. 7.15-7.30 News. 7.30-7.45 News. 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What you're looking at is no Sea of Tranquillity.

Neither is it a scene from the imagination of some science-fiction artist (although we commissioned one of Britain's finest sci-fi artists to paint it).

It is what you would actually see if the waters of the North Sea suddenly became invisible.

Silhouetted against a huge moon are the four giant production platforms that form the core of the Brent oilfield.

The Brent Field, operated by Shell, lies far out to sea, roughly halfway between Scotland and Norway, and about 100 miles northeast of Shetland.

The painting shows (from left) the production platforms Delta, Charlie, Bravo and Alpha, each towering well over 100 feet above the seabed in its steel, or concrete, socks.

They are built to withstand one-hundred foot waves and winds gusting up to 160 mph while continuing to collect oil and gas, 24 hours a day, from rock depths of some two miles beneath the sea-floor.

Floating in the far distance (bottom right) is the drilling rig Stadrig, prospecting for oil in another part of the Brent Field.

And riding the invisible seas with contemptuous ease (top right) is the 23,000 ton semi-submersible, pipe-laying barge Semac I.

FLAGS: a major new gas-gathering scheme in the North Sea.

We used Semac I to lay one of the world's longest, largest, deepest undersea pipelines. (The painting shows the pipe being fed over the stern of the barge and trailing down to the seabed.)

The pipeline is the backbone of a major new North Sea gas-gathering scheme known to the oil industry as FLAGS: Far North Liquids & Associated Gas System.

It will enable us to bring ashore the substantial and hitherto untapped gas reserves of Brent and other oilfields in the northern North Sea.

The FLAGS pipeline, 36" across and made of steel coated with concrete, runs 280 miles along the seabed between the Brent Field and St. Fergus in Scotland.

Laying it was an astonishing feat.

The North Sea is no millpond. It is quite the most hostile stretch of water the oil and gas industry has ever tackled.

Much of the pipeline was laid in appalling weather: force 10 gales, thick fog rolling in the troughs between giant waves, zero visibility.

The FLAGS system will before long be supplying some 12% of Britain's gas needs. (The Brent Field already supplies about an eighth of Britain's oil.)

But neither statistics nor adjectives (nor the vastness of our operating costs) can ever give you a real sense of the scale and scope of our work in the North Sea.

The Brent Field: an offshore oiltown.

The Brent Field, for instance, does not simply consist of the four great platforms attended by a pipe-laying barge and a drilling rig or two.

Several other giant structures (like the floating oil-storage and loading facility, Spar) are nearby. And platforms may be attended by 'flotels' (floating hotels) and semi-submersible diving barges.

Tugs, tankers and supply boats ply the surface, the latter bringing in everything from drill-pipe, cement for well-casing and drilling mud, to food and fuel.

Under the surface, mini subs and diving-bells are at work. While in the skies, helicopters constantly come and go,

bringing in vital tools and flying drilling crews and other technicians in and out.

Our platforms and rigs are crewed by over 3,000 men, who manage to tuck away well over 100 tons of food each week.

Power to keep the big platforms working is generated by turbines similar to those which fly large jet aircraft.

Computer banks continuously receive and process information about subsea oilwells and the many working functions of each platform, key data being relayed simultaneously to the platforms and Shell headquarters in Aberdeen.

The cost of these operations is so immense that it beggars description.

One way of putting it is that Shell's expenditure in the North Sea has amounted to more than half a million pounds per day, every day for the last eighteen years.

When we add up our chequebook stubs, our total investment to date works out at more than £4,000 million in 1981 money. Those figures double when you include the sums invested by us on behalf of our partners.

A conquest to rival the moon-landings.

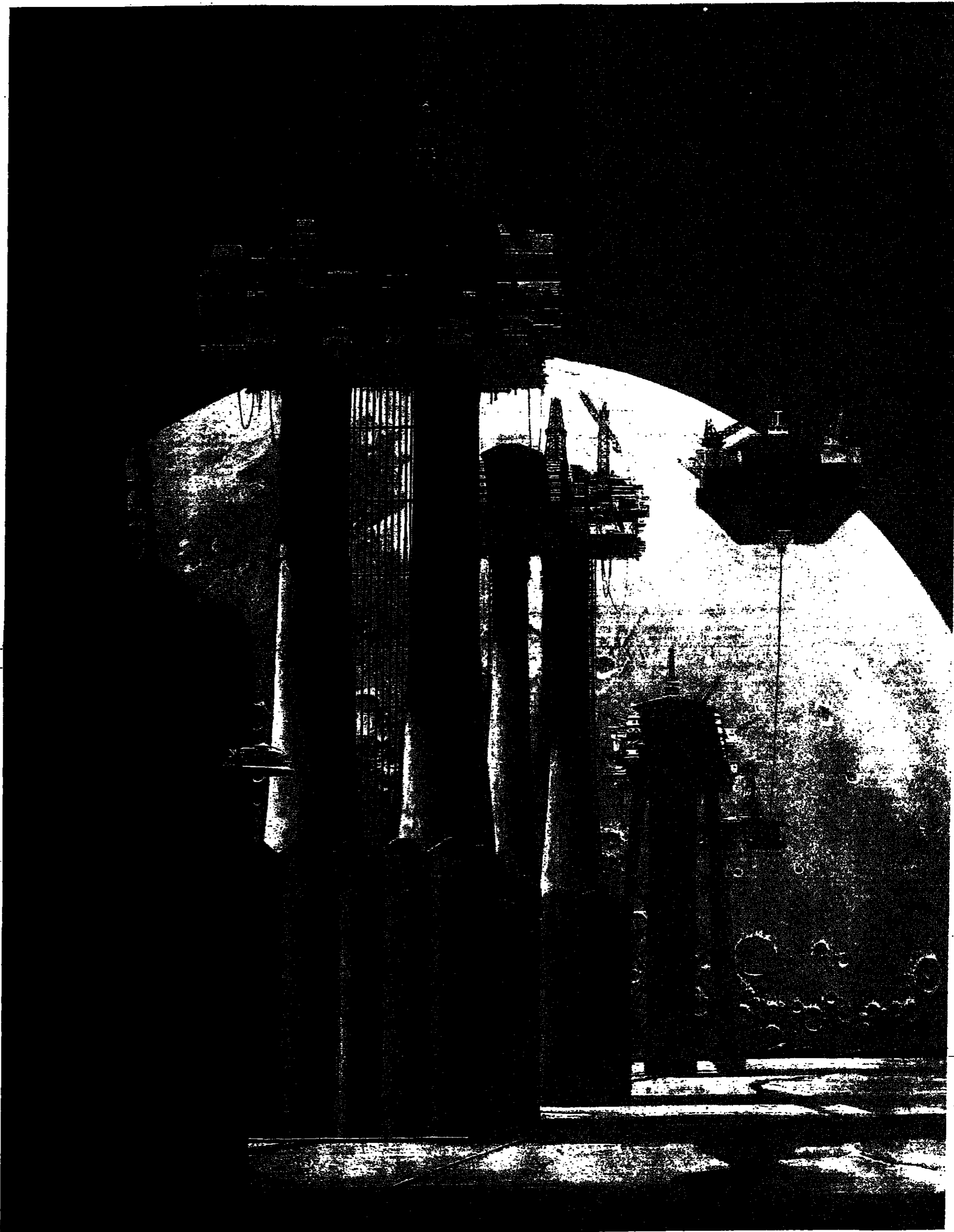
Although there are projects which cost more, in terms of sheer technological innovation there is no other achievement on earth to match the conquest of the North Sea.

We have pushed back the limits of technology so far that the only fear which invites comparison is otherworldly: the placing of the first men on the moon by NASA's Apollo space programme.

As a matter of fact, the computer-room that monitors our operations has a great deal in common with that famous control-room in Houston.

And Shell is proud to be in the forefront of an endeavour which only twenty years ago, would have been dismissed as pure science-fiction.

You can be sure of Shell



THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

A marriage of commercial and academic minds

BY TIM DICKSON

PICTURE first a slightly darkened laboratory in which two academics—a professor and another a senior researcher—are diligently bent over a cramped workbench. Surrounded by sophisticated measuring devices and a string of other inter-related electronic components the two are carefully monitoring the results of their latest experiment.

Then two businessmen enter the scene. They recognise the commercial possibilities of the academics' project, begin packing the bits and pieces into a single box and then sell them to companies all over the world at £30,000 to £45,000 a time.

This, in a nutshell, is how the results of years of patient optical communications research by Professor Alec Kluth and Dr David Payne of Southampton University were transformed from prototype to product and then into a highly commercial and, its founders hope, dynamic enterprise.

The company founded on the project is York Technology, which last month attracted national recognition when, out of almost 120 entrants, Gambling and Payne won the £30,000 first prize in the £300,000 Technology Group Academic Enterprise Competition.

The competition was intended to encourage more academics to consider setting up companies to exploit the results of their research. Time and again, it has been said, good ideas are developed in the UK, neglected by home-based industries, and then snapped up by foreign competitors which all too gleefully bring them to the market place and reap the commercial rewards.

The experience of the two Southampton University men illustrates how the gap between academic institutions and the business world in the UK can be satisfactorily bridged, and how a small company can be an ideal environment for developing products in the high technology field.



Directors of York Technology: (left to right) Harry Reichard, Ed Kluth, Alec Gambling, Lord Payne, and David Payne

These tentative commercial contracts had given us a certain commercial awareness. A couple of years ago we realised that the optical communications group had what we thought was a highly marketable product. We got the impression from talking to a number of outsiders that big companies probably would not be interested. It was Ed Kluth at Broadland who suggested that the best way ahead was to form our own business.

The product which inspired this happy meeting of academic and commercial minds is today called the Preform Analyser 101. For years Southampton University had been developing its own optical fibres—thin glass fibres used to guide light waves from A to B. Such fibres are widely expected to overtake copper wires and electric currents as the cheapest and safest way forward in communications and telecommunications.

The Preform Analyser, developed from a prototype in the laboratory workbench, is designed to analyse preformed large half metre cylindrical shaped composite glass structures from which thin filaments of glass are drawn to make the fibres.

The big problem with the Preform Analyser is that the international market is somewhat limited. There are only a handful of fibre optics manufacturers in the major industrialised countries and though their output is expected to increase dramatically in the next few years this will not be accompanied by a commensurate rise in demand for York's measuring equipment.

To match its ambitions right from the beginning York had to think about a second generation of products, something which it thinks it has achieved in the form of the FCM Fibre Characterisation System. Consisting of two basic units and a series of measurement modules so that the system can be adapted to a specific user's requirements, the FCM has been designed to appeal to manufacturers, cable makers and end users of fibres and will, if all goes according to plan, take the company into much bigger, if potentially more competitive, markets.

'Friendly' loans fill a gap

AUNT AGATHA—(or a near relative) is alive and well—and living in Croydon. That at any rate, is the message from BSC Industry, the job creation arm of the British Steel Corporation which has handed out nearly £2.5m in "soft" or "friendly" loans over the last 13 months.

These friendly loans are of the kind your Aunt Agatha might give if she believed in you and you needed the money," explains John Dunbar, chief executive of BSC Industry which has its headquarters in Croydon. "They have helped the creation of many jobs through making projects happen which otherwise would not have got off the ground because normal commercial finance was unavailable."

Although traditionally the loans for an equity stake, Aunt Agatha in her BSC Industry guise has been making loans of between £500 and £100,000 at interest rates ranging from 0 to 15 per cent. Typically interest has been charged at 10 per cent. Each loan is tailored to suit the needs of the individual borrower, and the terms—anything from four months to five years so far—is designed to be just as flexible as the other conditions.

BSC Industry started offering this little publicised service a year ago to replace other forms of assistance, notably peppercorn leasing. Dunbar points out that "this time loans have proved just as acceptable to small companies as grants and are obviously more attractive to his organisation because they can be recycled. This takes on a fresh significance given that the British Steel Corporation is due to end its funding of BSC Industry by 1984.

Although some clearing bankers would clearly beg to differ, "friendly" loans such as these and others more widely available under the

Government's loan guarantee scheme fill what many have identified as the biggest financial gap in the market. This arises when a project does not have the high growth potential to attract equity capital and commercial banks have reached the limits of their exposure.

BSC Industry says there is still plenty of "soft" money available at preferential rates. All types of company are welcome to apply, regardless of size, though they must be located, create jobs, in one of the following steel closure areas: Motherwell, Glenarnock, the Tollcross area of Glasgow, Consett, Hartlepool, Workington, Scunthorpe, Corby, Shotton, Cardiff, Ebbw Vale, Newport and Port Talbot. Contact one of its regional offices of BSC Industry, at 12 Adiscombe Road, Croydon, Surrey CR9 3JH. Tel: 01-886 0366.

Tim Dickson

In brief

DEVELOPMENT CAPITAL GROUP, the institutionally backed venture and development capital company chaired by John Bolton, is stepping up its regional presence.

The group's plan is to set up a series of joint operations with people and organisations who know a local area well.

"The smaller business often has close local ties and associations, whether it operates in regional, national or even international markets," comments Bolton, who headed the famous 1971 Inquiry on Small Firms.

Raising money on one's home ground can sometimes be preferable to dealing with institutions in London," he adds.

The first regional office—Development Capital (Midlands)—has already been opened in Birmingham with 40 per cent of the equity owned by Seaton Associates, a locally based business consultant.

Development Capital is now looking for partners in the Bristol/South West area, Liverpool/Manchester, Glasgow/Edinburgh, Yorkshire/North East and the East Midlands/East Anglia. It does not discount the possibility of establishing offices in other major business centres.

Over 90 per cent of the company's present portfolio of 30 or so businesses are at the moment located outside

London but Bolton believes that more arrangements along the lines of the Birmingham set-up "will enable us to service even more companies, especially where funding is required in the £100,000 to £200,000 range."

Development Capital was set up about 10 years ago by a team of experienced businessmen and aims to help in the development of both established companies and new ventures. The group got off to a slow start but has become much more active in the last four to five years with direct investment now totalling something over £15m. Money for the group's investments comes from a variety of leading institutions.

Capital is subscribed in the way "which best suits the circumstances of the company involved" and may be in the form of loans, debentures, preference shares and ordinary shares, or a combination of these. Development Capital always puts one of its own team on the board as a non-executive director. 88 Baker Street, London W1M 1DL. Tel: 01-486 5021.

SOME 217 enquiries from 202 firms were received during the first two months of the new Small Firms Technical Enquiry Service. Launched on June 10, this free service gives confidential help on technical problems to any manufacturing firm in England, Scotland and Wales with less than 200 employees. So far 86 of the enquiries, which have come mostly from the mechanical and electrical engineering sectors, have been completed.

The Government has set aside £2.2m for the Service which is operated for the Department of Industry by the Melton Mowbray based Production Engineering Research Association. Contact PERA on 0664 54133, Ext 444.

A SHORT LIST of 12 has been selected from the 270 small manufacturing companies which entered the King Samuel Anniversary Awards competition—launched earlier this year to mark the merchant bank's first 150 years.

The total prize fund of £150,000 is one of the richest in the world. Eventual winners will be announced in October.

A USEFUL GUIDE for the aspiring entrepreneur, "Going into Business," has been published by Arthur Andersen and Co. The guide outlines the major tax and financial consequences of making such a move and although printed in May, contains the main legislative proposals in the Finance Bill. It does NOT contain a list of sources of finance or advice. Available free from any Arthur Andersen office.

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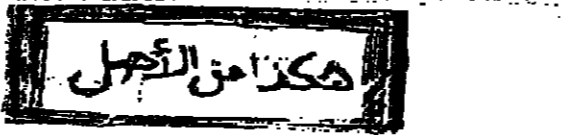
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The board appointments of the two main companies are: **COMMODITY ANALYSIS (BROKERS)** chairman, Mr R. N. A. Wood (managing director, Unity City Merchants); deputy chairman, Mr D. S. Fuller (director, Commodity Analysis, Chart Analysis, CAL Investments); managing director, Mr D. W. R. Harland (director, Commodity Analysis, Chart Analysis, CAL Investments); directors, Mr K. P. Bull, Mr T. K. Entwistle (director, CAL Investments), Mr G. M. King, Mr A. J. Lawrence (director, United City Merchants), Mr J. D. Lamb-Perfection and Mr J. P. Metcalfe, **COMMODITY ANALYSIS (TRADING)** chairman, Mr Wood; managing director Mr Harland; directors, Mr Lawrence, Mr D. R. Passell, Mr R. Williams and Mr B. H. Woodbridge.



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Mr James Ensor has joined **PLANNING RESEARCH SYSTEMS** as director.

Mr C. H. Jang has been appointed general manager of the **CHO-HEUNG BANK** in London to succeed Mr C. C. Cho who is returning to Korea.

The Minister of State for Consumer Affairs has appointed Mr John Hughes and Mrs Caroline Jackson to the **NATIONAL CONSUMER COUNCIL**. The appointments began on July 12 and will last for three years.

Mr C. G. Holland, formerly financial director of the **ARTHUR LEE GROUP** and Mr N. H. W. Lee formerly managing director of the operating company, Lee Steel Strip, have been appointed assistant managing directors of the group from September. Mr Holland will retain his responsibilities for finance, personnel and administration. Mr N. H. W. Lee will relinquish his appointment with Lee Steel Strip and undertake special responsibility for group and operating company development. Mr G. Holst, formerly group sales director, is appointed group marketing director.

Dr Eric Millman Hunt has been appointed non-executive chairman of **THOMAS SWAN AND CO.** Consett. He is chairman of the Plastics and Rubber Institute.

Mr Michael Teacher, a director of Wellbeck Investments, has joined the main board of **SIR JOSEPH CAUSTON AND SONS**. Mr Henry Prevezer, chairman of Wellbeck Investments, has declined an invitation to join the Causton board and has retired as director of Wellbeck and its subsidiaries to concentrate on his other business and professional activities.

DORMAN SMITH BRITMAC has appointed Mr Alf Burns as technical director. Dorman Smith is a member of the BICC Group.

Former MP Mr Paul Tyler is joining the board of **GOOD RELATIONS (CORPORATE AFFAIRS)** and has been appointed executive director of its newly formed public affairs division. Mr Hugh de Wet has become executive director of the new corporate communications division.

Mr Gordon Franklin has been appointed managing director of **VAISALA (UK)**. He was sales and marketing manager of Rotheroe and Mitchell.

Mr Keith Ness has been appointed sales and corporate development director of **HORNBY HOBBIES**.

Mr A. R. Lawson has joined the board of **R. KELVIN WATSON** as a non-executive director. He is chairman and chief executive of the Hollas Group.

Mr Tony Atkins has been appointed managing director of **A N G U S S A C O L LADDERS**, Southampton.

Dr Harry Masheer and Dr Terry Eaves have been appointed to the board of **MERRELL PHARMACEUTICALS**.

Mr Raydn Webborn has been appointed chairman of the **UNIT INSPECTION COMPANY**. He was formerly general manager and his appointment follows the



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Tuesday August 17 1982

BRITAIN'S ECONOMY

The pressure to help industry

By Max Wilkinson, Economics Correspondent

Third World agriculture

THE THEORY that rapid industrialisation is the answer to most of the economic problems of the developing world has long been suspect. It has now been dealt another severe blow by the World Bank in its latest World Development Report...

Success in the agricultural field stimulates the entire economy, while failure in this sector inevitably undermines economic growth... Priority One has only to look at some of the statistics given in the report to understand how important it is for the economic planners to get their priorities right...

Sabbatarians of the world, unite!

MR IAIN SPROAT, although only a junior minister at the Department of Trade, has come up with the most cheering assertion of the present Government's principles in this season of doubt by proposing that all legal limitations on shop opening hours should be abolished...

Bank staff can hardly expect to arouse the kind of public support enjoyed by the low-paid hospital ancillaries, since they are thought on the whole to have done rather well out of monetarism. Their past wage settlements have caused a good deal of envy and resentment...

HAS THE TIME come for the Government to relax its fight against inflation in order to give more help to industry and jobs?

The question will be facing Sir Geoffrey Howe, the Chancellor, when he returns next week from his holiday in Portugal. He may then find it increasingly difficult to stand up to Cabinet colleagues who want to use the current review of public spending as a way of changing course...

Even the broadly monetarist London Business School is now saying that recovery is unlikely without a Government stimulus. These appeals were underpinned by two important sets of official figures last week. The first showed an alarming fall in industry's output and the second showed that progress against inflation has been much better than expected...

Both these developments have taken the Treasury somewhat by surprise: the news from the inflation front is much better than it dared to predict last autumn while output now appears to be substantially weaker than had been hoped...

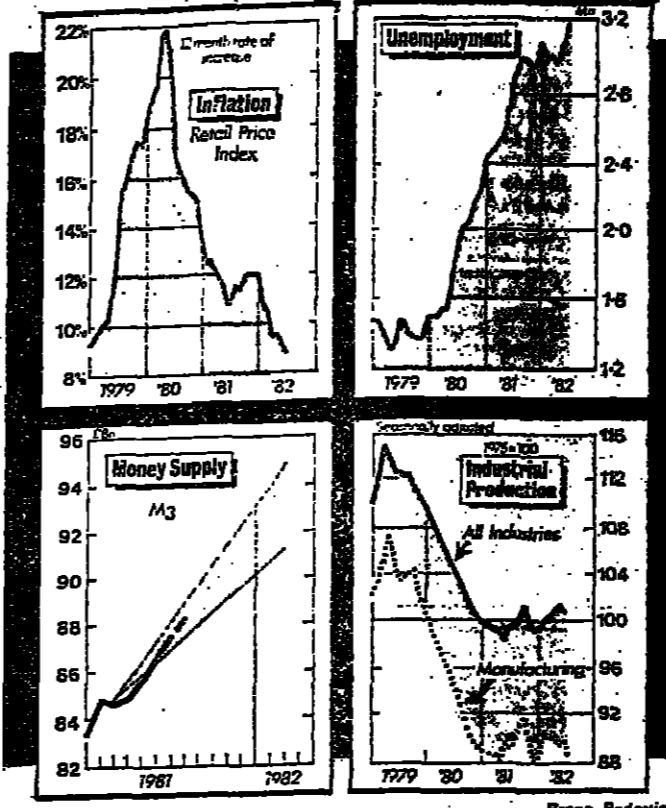
But there are at least three significant differences: First, the Chancellor and his supporting ministers have been a good deal more muted this time round about the prospects for a recovery of output. They have concentrated rather on emphasising the longer term benefits of lower inflation...



SIR GEOFFREY HOWE more muted

accurate than the Treasury's cautious optimism. Third, it is now 18 months rather than six since the recession was supposed to have ended. Awaiting an upturn is mingled with a general anxiety about whether it will ever arrive...

One of the main reasons for the forecasters' pessimism has been the alarming increase which has recently become apparent in Britain's propensity to import. At the same time the depressed outlook for world trade this year and the continuing difficulties of the U.S. economy have dampened hopes for exports...



Source: Redcliffe

would merely be giving industry a bone before kicking it with higher interest rates and maybe worsening inflation. But critics will say that his hopes of promoting a natural regeneration of the economy under the therapeutic influence of lower interest rates have so far produced only a series of false starts too weak to give any momentum to the recovery...

The practical politicians of the Tory Party fear the strategy may be running out of time

date is drawing nearer. They are anxious that the strategy may be simply running out of time, and they will increasingly ask what has gone wrong in the last 12 months. The first setback came only two months after Sir Geoffrey's celebrated remark about the ending of the recession. By the autumn of last year, acute pressure on the pound showed that the UK could no longer maintain its policy of low interest rates while the U.S. prime lending rate had climbed to over 20 per cent...

prime rate had fallen to 16 per cent and most of the inflationary consequences of a fall in sterling and the rise in UK rates had worked through the system, the economy faced another setback. This time it was strikes and bad weather which put the cently rising trend of output into reverse again. Nevertheless the Treasury remained cautiously optimistic in the expectation that the economy would bounce back in the spring...

and was beset by renewed anxieties about the persistence and depth of the recession in the U.S. accompanied by a renewed hardening of U.S. interest rates. At last by July there seemed some evidence that things were going better for the UK economy with a sharply improved industrial production index for May and a downward trend of interest rates on both sides of the Atlantic...



SIR TERENCE BECKETT chorus of protest

year there was some evidence that the predicted restocking had begun. Moreover capital spending had held up relatively well in the recession and by last autumn it seemed that exports were increasing. All these factors should have helped to increase demand for British industry and enable it to exploit the sharply improved productivity which it appeared to have achieved by layoffs, improved practices and invested in labour saving equipment during the recession...

While the increase in exports has been some help to industry, it has by no means balanced the big leakage of extra demand into imports. A rather startling illustration of this is that between the first three months of 1981 and the first three months of 1982, the total (final) expenditure in the UK rose by £1bn (at 1975 prices). This was almost exactly matched by a £1bn increase in imports during the same period...

secured by gaps in the figures and several statistical uncertainties. But economists generally agree that there has been a marked increase in Britain's propensity to import.

Imports now represent about 35 per cent of Britain's Gross Domestic Product compared with 32 per cent in 1979 and only about 25 per cent a decade earlier. There has been speculation as to whether the increase is in part a consequence of the Government's policies. It is argued that the severity of the recession in 1980, combined with the high exchange rate, may have put many small companies out of business, whose products must now be supplied by imports...

True or not, the tendency for marginal increases in demand to be satisfied by imports now puts an extra constraint on the Chancellor's ability to reduce the economy. Put crudely it means that around a third of the benefit from any tax cuts would eventually go to benefit foreign producers rather than those in the UK. Nevertheless, there is some ground to believe that inflation might be made to benefit domestic industries such as construction - in the first round of spending, at least.

The question remains whether the Chancellor believes there is any room for compromise with the deflationists in his party. Recovery there does seem to be some middle ground between them. Not only has inflation been falling faster than expected, partly because of the weakness of world commodity prices - but the money supply appears to be well under control. Sterling 90, the broad measure of money, is in the centre of the target range of an annual growth rate of 8 to 12 per cent and M1, the narrow measure, is below it.

Moreover, the trend of public borrowing appears not to be a cause for anxiety so far this year - in spite of the cost of the Falklands campaign. These factors already appear to have been behind the authorities' willingness to reduce interest rates during July. Sir Geoffrey's main answer to the CBI is that help is on the way from this direction. The difficulty with this policy is that a lowering of interest rates may take some while to influence the investment decisions which could create additional demand. Whatever the merits of this policy from the economic point of view, many are concerned whether it can produce results on output and employment before the election. Direct deflation, in contrast, could probably have a quicker impact. Even sympathisers with the Government's general stance, including the LRS, have argued that a moderate dose of deflation is now needed. The question before Sir Geoffrey is whether he now has room within his monetary strategy to meet these desires or whether he will stick to lower inflation and lower interest rates regardless.

Men & Matters

Bell of New York finance

It's not every day that Paul Volcker puts in a call from the U.S. Fed to wish someone well. Geoffrey Bell has received one while putting the final touches to the new financial advisory business he is about to launch.

But then the outgoing, peripatetic Bell is probably one of the best-known British merchant bankers in the U.S. A leading light at J. Henry Schroder Wagg, Bell has been in the U.S. for a good part of the last two decades as scholar, civil servant and, most recently, executive vice-president and director of Schroder's international arm and senior adviser to its New York bank.

Now 43, Bell feels the time has come to branch out on his own. "I want to spend more time with my clients," he says. He will maintain his ties with Schroder, and even locate his firm, Geoffrey Bell and Company, in the Schroder building at the tip of Manhattan. "It's the best of both worlds."

Bell thinks that while the 1970s were the decade of the borrower because of the abundance of funds and low real interest rates, the 1980s could well turn out to be the decade of the lender. And he thinks the borrower will need a lot more help and advice. The Euro-markets are not going to grow so fast. And bankers are being a lot more cautious. They're looking more closely at balance sheets, the structure of corporations and their cash flows.

Unpaid leaders

The resignation of one of Guernsey's leading politicians, Roy Le Poidevin, aged 49, reflects a growing dilemma facing the Channel Islands since they have evolved into sophisticated mini-states providing international banking services. Le Poidevin has resigned his seat in the island parliament and the vice-presidency of the finance committee because he has found it impossible to combine those responsibilities with his job as managing director of the Total Oil Company's local subsidiary.

He says: "It is a matter of striking a balance and I am afraid that at present the balance has tilted towards business. Le Poidevin has been the prime mover in Guernsey's drive to attract more light industry and establish closer liaison with the international banking community. Other island leaders say his expertise will be sorely missed.

Financing and keeping top-calibre political leaders is proving to be a growing problem in the islands, all of which have hallowed traditions of voluntary public service. The modern financial and business communities established on the islands now contrast rather oddly with the relaxed and highly traditional island administrations.

A few months ago Guernsey lost another able politician, John de Putron, aged 53, an accountant, for the same reason as now given by Le Poidevin. De Putron quit political life and the presidency of the Post Office Board saying he felt there was a danger otherwise of being able to do neither his professional nor his political work properly. MPs on Guernsey are unpaid and although they can claim up

On guard

I have been reading about an ambitious United States venture to replace security guards with robots. It is convincing stuff. Denning Associates of Washington, a firm of consultants, has now designed a robot that can move at five miles an hour while its surveys 150 feet on each side using microwave radar and infrared sensors. To detect walls and other obstacles it uses sonar rangefinders that Polaroid developed for its automatic cameras.

The advantages of security robots over humans appear to be manifold. Unlike human guards they do not fall asleep. Neither do they require frequent priming with food and wages. An American security expert points out: "A man guard can't live on the low wages they are paid. So you can be sure the man has two jobs. Thus he is working 16 hours a day and he is sleepy at Hell."

The Denning Sentry is to be about 3 feet tall, will cost about \$25,000 and will weigh about 200 pounds. But, just a minute... why is it so heavy? "So that it will be difficult to steal" the designers explain. Ask a silly question...

Clean licence

P. M. Reynolds of Hemel Hempstead has a new registration document from the Swansea vehicle licensing centre for his Volkswagen car. The computer has indulged in an outburst of Celtic whimsy classifying it an "auto cesspool emitter". The puzzled owner is not sure now whether his driving licence covers the additional features. But he says philosophically: "We are grateful we have the automatic version - the trouble with the manual version comes when you drop the bucket."

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WORLD SUGAR MARKET

Why Europe's rivals are sour

By John Edwards, Commodities Editor

A POWERFUL new force, in the shape of the European Community, has emerged in recent years on the world sugar market...

The EEC, stimulated by the high prices paid to farmers under the Common Agricultural Policy, has gone from being a net importer of sugar in the 1960s to becoming the world's biggest single exporter...

A sugar mountain is avoided by exports

UK consumers by 3p a kilo. Yet this increase comes amid a massive world surplus which has forced world prices to their lowest level for nearly three years...

Not even the most efficient cane producer can break even at current world sugar prices, which recently dipped to a low of 22s a tonne...

It is all a far cry from 1974 when an acute scarcity of sugar forced the world price to an all-time peak of \$450 a tonne...

This kind of price fluctuation is not unusual. Prices have traditionally moved in a cyclical pattern of highs and lows...

trade deals, so the residual world market tends to exaggerate the impact of both shortages and surpluses.

But a new factor adding to the uncertainty is EEC production. The Community's exports have risen from some 1m tonnes in 1970 to around 5m tonnes in 1980/81.

The EEC has made well publicised moves to hold back exports, and increase stocks, but the Community is continuing to subsidise substantial sales to the world market...

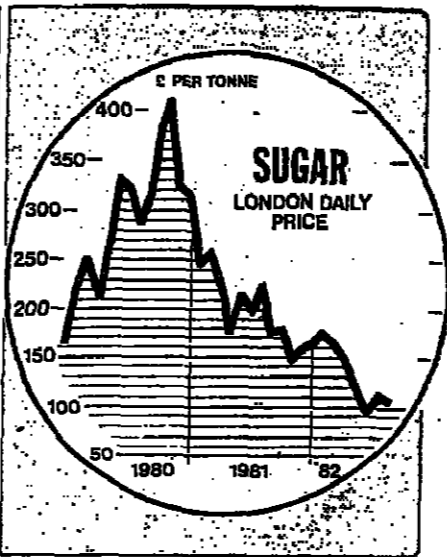
These rebates are designed to help EEC exporters sell on the world sugar market at a greater profit than selling to the Community intervention stores.

However, the EEC policy is to avoid accumulating intervention stocks, as happens with dairy products, cereals and meat. The build-up of a sugar mountain is avoided simply by exporting the surplus on to the world market.

Since the world market price is normally far below that of the EEC, the Commission has to provide a subsidy to bridge the gap—hence the £235 a tonne paid out last week.

It can be argued that the cost of subsidising is normally cheaper than the cost of storing surplus stocks. But this ignores the damage the EEC is doing to other sugar-exporting countries, producing cane sugar.

That said, the European Community does import 1.3m tonnes a year of raw cane sugar from African, Caribbean and Pacific countries (the ACP group).



Community level and thus normally well above the world market. They will, for example, benefit from the recent 9.5 per cent rise in the EEC domestic price.

But in most cases, sugar sold to the EEC represents only part of total exportable production and the rest goes to the world market. Other exporting countries, such as Brazil and Australia, rely totally on the world market except for special individual inter-government deals.

Talks are going on aimed at bringing the EEC into the pact, but many of the cane exporting countries oppose giving the EEC any export quota, claiming the Common Market has irresponsibly encouraged the rapid expansion of its beet production by setting guaranteed prices at far too high a level.

This is widely regarded as the nub of the problem. Most observers believe the EEC Commission panicked after the 1973 sugar shortage and provided far too much encouragement for beet growers in the Community.

But if the EEC does not take any positive action to reduce production, the threat of world market disruption will remain.

to stabilise the world market by the use of export quotas and reserve stocks.

As a result of pressure from the powerful French beet lobby, it was decided that EEC membership of the Agreement was not compatible with the common sugar policy, since it would restrict exports.

The result is that while members of the Sugar Agreement, mainly developing countries, have restrained exports and committed themselves to building up surplus stocks, the EEC has been increasing its sales thereby undermining the Agreement.

The EEC also thinks that the Agreement's basic export quota are too high, while the provision to hold back reserve stocks is extremely woolly with little check on whether the stocks are actually being held or not.

The EEC also thinks that the Agreement should be extended to cover other sweeteners, as well as sugar, notably high fructose maize based syrups (isoglucose) which have made such inroads into the U.S. sugar market.

So far, the powerful beet lobby in the EEC has managed to restrict the expansion of isoglucose syrups in the Community. But in the U.S., where there are ample supplies of cheap maize, the syrups have captured an estimated 40 per cent of the sweeteners market and are still expanding.

They have been greatly helped by the fact that U.S. sugar producers have persuaded the Reagan Administration

to guarantee a minimum support price for domestic sugar of some 17 cents a pound.

Artificially high prices have held back demand for sugar in the U.S. and also opened the door for maize syrups to gain an increasing share of the market.

Demand for sugar in the industrialised countries was already under pressure as a result of health fears and dietary considerations. But the high prices of the U.S. and the EEC have accelerated the downward trend. The main expansion in consumption has been in developing countries, in line with rising standards of living.

But the economic recession has slowed down the growth in this demand considerably.

It had been hoped that the conversion of sugar into fuel alcohol (alcoogas) as a new energy source would open up a new outlet. But the fall in oil prices over the past year, and the technical and economic problems involved have made this an uneconomic proposition in most cases.

Even in Brazil, where there is sufficient land to grow cane required and an urgent

desire to save foreign currency expenditure on oil imports, the sugar-alcohol programme has not lived up to earlier hopes.

World production of sugar has jumped sharply this season to nearly 98m tonnes, mainly because of favourable weather in the main cane producing areas.

Prospects for a quick recovery in the market look remote, with stocks at record levels. Indeed, traders shudder at the thought of what might happen if the Soviet Union has even a reasonable beet crop this year. Russia, with three poor crops in succession, has been the mainstay of the free market in recent years. If it were to reduce its purchases significantly, prices could tumble a lot further.

But the initial signs are that Russia has been hit by unfavourable weather again this year, and in any event will be concentrating on producing grains rather than sugar beet.

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Lombard

Two types of austerity

By David Marsh in Paris

A FEW MONTHS AGO, upon hearing that the FT was sending me to work in Paris, a junior minister in the British Treasury delivered a typically crushing indictment of the economic state of Socialist France.

What a shame, he said, to be leaving an economy which was just about to take off on the basic thrusting, market-orientated enterprise for one which was stagnating under a regime of stultifying dirigisme.

In fact, however wide the ideological gulf between the economic gospel of Mrs Thatcher and M Mitterrand, it is the similarities between the British and French positions which are at first sight most notable. And where there are differences, not all of the comparisons are as favourable to Britain as the Treasury minister would like.

Significant

For instance the new rift which has opened between the Confederation of British Industry and the Thatcher Government over the economic outlook is perhaps more significant than the predictable political divide between the Socialist administration and the Patronat employers' group.

The Patronat may annoy Paris ministers by constantly sniping at bureaucratic interference, the Government's sympathies with the unions, or lower profit margins caused by the summer price freeze (though wages have been frozen as well).

But at least French employers are dealing with a so-for-growth government wholly committed to boosting industrial investment (albeit by direct and sometimes controversial Socialist methods). Unlike the CBI, the CFE does not complain about deep and permanent cuts into Britain's industrial base—a much more frightening matter.

To a British observer there is a strong sense of déjà vu about the language now being used by leading French Socialists about the country's need for belt-tightening.

M Lionel Jospin, the party's first secretary, has just warned of "dreadful" years ahead. This

is strikingly reminiscent of the prediction in 1980—at about the same stage in the life of a British government—by Mr John Biffen, then Chief Secretary to the Treasury, of three years of "unparalleled austerity" in the UK.

The paradoxical truth is that both governments came to power in May 1979 and May 1981, at times when living standards, as a result of policies implemented by their predecessors, were growing unsupportably fast.

Both governments then made mistakes in their first year by taking action which increased the imbalance—the British Conservatives by cutting taxes and the French Socialists by raising state handouts.

The sequel, in both countries, may again turn out to be similar. The British Treasury some time ago swung round to gearing fiscal policy towards improving the depleted finances of the company sector at the cost of the personal taxpayer, although the move has not gone as far as the CBI would like.

M. Jacques Delors, the moderate French finance minister, talks in a Geoffrey Howe-type manner of boosting the disastrous state of corporate finances by lowering charges on companies rather than by increasing subsidies.

Transition

Whether the rest of the Mitterrand government will accept this line is of course another matter. This is one of the key points to be resolved this autumn as the Government tries to engineer a smooth transition from its four month wage/price freeze.

But at least the change of gear in France is unlikely to lead to as traumatic a shake-up on the labour market as that produced by Conservative austerity in Britain.

Neither the British nor the French prescription is exactly palatable. France may have to accept relative inefficiency, over-manning, and state interference as the price of keeping unemployment down to around 2m; Britain faces an unemployment total perhaps heading for 4m as the price of a competitive and better tuned economy.

Letters to the Editor

Bucket-shop air tickets: a masterpiece of marketing

From Mr A. Lucking Sir—You are right (August 12) to caution the airlines against destroying the present market for cheap fares, which is free of the "strings" they themselves try to impose. On many of the longer routes only 8-20 per cent of the present passengers are in the "business and personal emergency" categories. The priority for the vast majority is the lowest fare. Thus, the airline claim you printed, that it could secure all the difference between discounted and full fares, is drive no success.

businessmen still make no attempt to buy these cheap tickets. Veritably a masterpiece of marketing! A. J. Lucking, 17 Broad Court, Bow Street, WC2.

From Mr P. Ray Sir—Your leader on bucket-shop air tickets (August 12) draws the correct conclusion that millions of people will buy if the price is right.

But, along with other distinguished commentators, you have fallen into the trap of greatly overstating the size of the bucket-shop market in the UK by accepting an unofficial "estimate" of 5m ticket sales annually which has crept its way into every Fleet Street cuttings library and is constantly being recycled. The Department of Trade's

international passenger survey for 1981 shows that UK residents made 11.3m trips abroad by air. Of these, about 4.5m were on holiday charter flights which are not subject to price control and, by definition, cannot be "illegally discounted" by bucket-shop operators. The Community also points out that output of sugar in the Common Market is restrained by production quotas.

But however much the EEC huffs and puffs, there is little doubt that the encouragement of beet growing in the Community has disrupted the world sugar market and caused considerable economic distress to many developing countries. The EEC sugar policy is often held up by developing countries as an example of Community indifference to the Third World.

The EEC has refused to join the International Sugar Agreement between exporting and importing countries, which seeks

There is much work to be done

From Mr C. Simeons Sir—Job creation as described by Ian Hargreaves (Aug 9) really offers a methodical approach to an assault on the unemployment statistics. If firms have to be persuaded to take people on through a process well known to fund raisers, it is unlikely that they will be filling real jobs.

But everyone knows that there is work in abundance which if not carried out soon, will reduce our quality of life. Roads require urgent repair, and by-passes need to be built. Sewers must be replaced, while decay in our inner cities needs to be seen to be believed. Railway rolling stock is long overdue for replacement and electrification is urgently needed. Maintenance and repair to public buildings is sadly lacking.

Meanwhile, idle hands turn to acts of vandalism taking up the time of the police unnecessarily. And yet we read of vacancies which cannot be filled and those in need of jobs failing to turn up for appointments.

At present, the greatest emphasis is placed upon creating new jobs, whether there is a need for them or not. All too little is being done to assist existing firms to remain in business. It stands to reason that for every firm set up in an enterprise zone, another in the same line paying its fair share of rates and taxes will go to the wall. Often staying in business is a question of learning through the experiences of others, which the Manpower Services Commission may well find a more rewarding approach than appears to be the case on the surface, and more so than start-ups.

Today we are paying out more than double our oil revenues to people who are without work. I believe that the vast majority would be only too glad to become employed actively once again doing something useful. Starting with school leavers I believe that to qualify for money from the state, other than for obvious exempted groups, should involve work done. This would keep the young off the streets and create a demand for goods and materials which would stimulate industry. I believe that it would pay for itself, although there would be problems administratively. Charles Simeons, 21, Ludlow Avenue, Luton, Beds.

Listen to Sir Terence

From Mr F. Lait Sir—I do hope the Government takes very seriously the views expressed very forcefully by Sir Terence Beckett. There is no doubt that UK industry as a whole is going through the worst recession in my life time, a recession from which some companies, and possibly some industries, will never recover. The slimming down process, so often recommended by the Government for industry, is in danger of developing into anorexia. Surely, the time has come for the Government to realise that there are no signs of an upturn in the economy, and should the Government believe there are, it is unfortunately under an illusion, and should do better to listen very carefully to Sir Terence Beckett's analysis of the situation and his advice.

voice "of the big company chairman" while the Institute of Directors "is perhaps that of the individualistic and small business man." It is worth recording that of the 1,600 firms responding to the CBI's trends survey 1,200 employ fewer than 500 people, of which 800 employ fewer than 200. The CBI's economic policy is made in a way that ensures that the smaller firm members—which are, of course, in a significant majority—are fully involved. Our smaller firms council has been consulted every step of the way, as has the regional network, where the voice of small members is particularly clearly heard. CBI policy is, therefore, representative of the membership as a whole and not of any particular group defined by sector, size or geography. Jeremy Pope, Centre Point, 103, New Oxford Street, WC1.

Encourage new businesses

From the Chairman, Danworth Enterprises Sir—Ian Hargreaves (August 9) describes the efforts of James Cooke to mobilise the support from big names in large companies to set up training places for the unemployed. I suggest that this is not the best way to create jobs. Training is of course important but one should first know for what? I consider that the first essential is to encourage the growth of new businesses which provide a product or service for which there is a demand.

Energy from Russia

From Mr E. Payne Sir—While much has been said about the projected big Russian pipeline to supplement the existing smaller ones already supplying gas to the EEC, little mention has been made of similarly distributing electricity. The USSR generates more electricity than it uses and has vast natural resources for increasing it so it is perfectly feasible to supply the EEC and the Far East. Eric A. Payne, Little Baddow, Chittlemford, Essex.

TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (A), WAITING STREET, LONDON, EC4M 3AA NOT LATER THAN 10.00 A.M. ON THURSDAY, 19TH AUGUST 1982, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE BRANCHES OF THE AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON WEDNESDAY, 18TH AUGUST 1982.

ISSUE BY TENDER OF £800,000,000

10 1/2 per cent EXCHEQUER STOCK 1987

MINIMUM TENDER PRICE £96.75 PER CENT

Deposit with tender £400,000 per cent On Monday, 27th September 1982 Balance of purchase money INTEREST PAYABLE HALF-YEARLY ON 6th APRIL AND 6th OCTOBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for the above Stock. The annual dividend on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom. The Stock will be repaid at par on 6th April 1987.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act, 1982. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 6th April and 6th October. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. The first payment will be made on 6th April 1983 at the rate of £5.9384 per £100 of the Stock.

Tenders must be lodged at the Bank of England, New Issues (A), Waiting Street, London, EC4M 3AA not later than 10.00 A.M. ON THURSDAY, 19TH AUGUST 1982, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON WEDNESDAY, 18TH AUGUST 1982. Tenders must be received between 10.00 A.M. on Thursday, 18th August 1982 and 10.00 A.M. on Tuesday, 24th August 1982.

Each tender must be for one amount and at one price. The minimum price, below which tenders will not be accepted, is £96.75 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 25p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

A separate cheque representing a deposit at the rate of £400 for every £100 of the amount of the Stock tendered for must accompany each tender. Cheques must be drawn on a bank in the United Kingdom, the Channel Islands or the Isle of Man, and be payable in full to the order of the Bank of England.

Tenders must be for a minimum of £100 Stock and for multiples of Stock as follows:

Table with 2 columns: Amount of Stock tendered for, Multiple. Rows: £100-£1,000 (Multiple £100), £1,000-£5,000 (Multiple £500), £5,000-£10,000 (Multiple £1,000), £10,000-£50,000 (Multiple £5,000), £50,000 or greater (Multiple £25,000).

Her Majesty's Treasury reserve the right to reject any tender or to allot a less amount than that tendered for. If undersubscribed, the Stock will be allotted at the minimum price, the balance of Stock not tendered for being allotted at the minimum price or at higher prices which are multiples of 25p. Payment in full may be made at any time after allotment but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent net annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such sources or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Waiting Street, London, EC4M 3AA, or by any of the Branches of the Bank of England, on any date not later than 23rd September 1982. Such requests must be signed and must be accompanied by the letters of allotment.

Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the balance of the purchase money is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 27th September 1982.

Tender terms and copies of this prospectus may be obtained at the Bank of England, New Issues, Waiting Street, London, EC4M 3AA, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England (25 St. Vincent Place, Glasgow, G1 2EB), or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND LONDON 19th August 1982

THIS FORM MAY BE USED TENDER FORM. This form must be lodged at the Bank of England, New Issues (A), Waiting Street, London, EC4M 3AA not later than 10.00 A.M. ON THURSDAY, 19TH AUGUST 1982, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England (25 St. Vincent Place, Glasgow, G1 2EB) not later than 3.30 P.M. ON WEDNESDAY, 18TH AUGUST 1982.

ISSUE BY TENDER OF £800,000,000

10 1/2 per cent EXCHEQUER STOCK, 1987

MINIMUM TENDER PRICE £96.75 PER CENT

ISSUE BY TENDER OF £200,000,000

MINIMUM TENDER PRICE £96.75 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I, the undersigned, in accordance with the terms of the prospectus dated 16th August 1982, do hereby tender for the above Stock in the sum of £200,000,000, being a multiple of 25p and not less than the minimum tender price of £96.75—

Amount of Stock tendered for Multiple AMOUNT OF STOCK £

Amount of deposit enclosed, being £200.00 for every £100 of the amount of Stock tendered for (shown in Box 1 above)—

The price tendered must be a multiple of 25p and not less than the minimum tender price. If no price is stated, the tender will be deemed to have been made at the minimum tender price. Each tender must be for one amount and at one price.

I, the undersigned, hereby engage to pay the balance of the purchase money when it becomes due on the allotment, and may be made in respect of this tender, as provided by the said prospectus.

I, the undersigned, request that any letter of allotment in respect of Stock allotted to me/us be sent by post at my/our post to me/us at the address shown below

PLEASE USE BLOCK LETTERS MR/MRS MISS FORENAME(S) IN FULL SURNAME FULL POSTAL ADDRESS— FT POST-TOWN COUNTY POSTCODE

A separate cheque must accompany each tender. Cheques should be made payable to "Bank of England" and crossed "Exchequer Stock." Cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

The price tendered must be a multiple of 25p and not less than the minimum tender price. If no price is stated, the tender will be deemed to have been made at the minimum tender price. Each tender must be for one amount and at one price.

STAMP OF LODGING AGENCY (IF ANY).

UK COMPANY NEWS

Companies and Markets

Royal Insurance dives to £32m

BAD WEATHER in both the UK and U.S. which cost Royal Insurance an extra £42m in weather claims together with weather claims containing severe competition worldwide, sent underwriting losses of the company in the first half soaring from £30.6m to £84m and net pre-tax profits by more than half from £68m to £32m.

HIGHLIGHTS

Lex looks as the full year figures from Royal Insurance which, in contrast to the miserable results from General Accident and Commercial Union last week, look quite good. Pre-tax profits are down from £68m to £32m, largely as a result of the extreme weather but there is a second quarter underwriting profit in the UK and the U.S. column then moves on to look at the day in the markets where gifts had their best time for months.

Bunzl pays £4.4m for two paper distributors

BUNZL, the London-based paper and packaging group, yesterday announced two further acquisitions in the paper distribution field for a total of £4.4m cash. Bunzl will acquire an 80 per cent stake in Donald Murray (Paper) of Glasgow and the capital of Allan Murray Paper and Packaging of Loughborough, Leicestershire.

Vibroplant falls into the red in second six months

SECOND-HALF losses of £180,000 have left Vibroplant, the plant hire and video leisure group, with much reduced pre-tax profits of £333,775 for the year ended March 31 1982, compared with £1,922m previously. Turnover for the 12 months declined from £12.42m to £11.45m. At the interim stage, when reporting a fall in taxable profits from £1.36m to £834,839, Mr J. Pilkington, the chairman, said that extreme weather conditions had interrupted construction activity on a wide scale and he warned that this would inevitably have an impact on results for the second half.

Reardon Smith incurs £129,000 loss

FOR THE year ended March 31, 1982, Reardon Smith has made a pre-tax loss of £129,000, against a £1.83m profit previously. At the trading level, profits—including this time £23.4m from the sale of ships—were down from £4.38m to £4.07m.

BOARD MEETINGS table listing companies like Aberdeen, Gold Fields, and their respective dates.

FUTURE DATES table listing dates for various companies like Bredon, Cabry, and Gaskell.

market, in all its sectors, is now grossly overtonnaged, the board says. The exceptionally low freight rates in the bulk carrier market continue to produce substantial losses and unless there is a marked upturn in world trade that would be sufficient to equate the present overtonnaging position in the industry, the board cannot expect any improvement in the present state of affairs until at least the latter part of 1982.

Charles Baynes shows modest increase

An increase of £18,000 to £213,000 in pre-tax profits is reported by Charles Baynes, the Blackpool-based hosiery manufacturer, for the six months to June 30, 1982. Turnover rose marginally from £1.12m to £1.15m. The interim dividend is unchanged at 0.25p net—last year's total was 0.75p from pre-tax profits of £415,056.

DIVIDENDS ANNOUNCED table listing companies like Charles Baynes, Dares Estates, and their dividend details.

CONTRACTS AND TENDERS

THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA MINISTRY OF HYDRAULICS DEPARTMENT OF BASIC HYDRAULIC EQUIPMENT NOTICE OF INTERNATIONAL PREQUALIFICATION

COMPANY NOTICES

ABN Bank ALGEMENE BANK NEDERLAND N.V. (Incorporated in the Netherlands with limited liability) INTERIM DIVIDEND FOR THE YEAR ENDED 31st AUGUST 1982

FINANCIAL TIMES

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THE U.S. COMPUTER SERVICES INDUSTRY

Little change at Scottish Eastern Inv.

Pre-tax profits of Scottish Eastern Investment Trust were little changed at £3.06m for the six months to June 30, 1982, against £3.05m last time.

Further cuts in output of molybdenum

POOR WORLDWIDE demand for molybdenum, which is used as a hardening agent in high-grade steels, has forced two big producers to make further moves to cut production.

M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8EB Telephone 01-421 1212

THE TRING HALL USM INDEX 126A (-0.2) Close of business 16/8/82 Tel: 01-636 1391 BASE DATE 10/11/80 100

Impala Platinum Holdings Limited (Incorporated in the Republic of South Africa) PRELIMINARY PROFIT STATEMENT AND DECLARATION OF FINAL DIVIDEND

LEGAL NOTICES

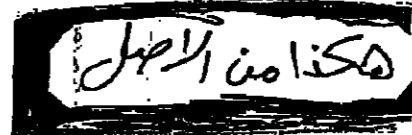
High Court of Justice (U.K.) LIMITED and in the Matter of the Companies Act 1982. NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated the 28th day of July 1982 confirming the Reduction of the Share Premium Account of the above-named Company from £18,375,000 to £12,066,250 was registered by the Registrar of Companies on the 10th day of August 1982.

ART GALLERIES

LEFFERS GALLERY, 30, BRISTOL ST. W1. 11-12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

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to the months

Confidence at Siebe Gorman

MR BILL PYBUS, the chairman of Siebe Gorman Holdings, specialist engineer and manufacturer of protective equipment, industrial workwear and leisurewear, says that the group's position has continued to strengthen during the year and the board is able to express confidence that the business will continue to prosper on the solid platform upon which it stands.

"We have a very able management to support our trading activities at home and overseas and we certainly have the determination to take advantage of every opportunity in the future," he tells members in his annual statement.

The chairman reports that in spite of economic and marketing conditions of exceptional difficulty the group succeeded in making satisfactory and solid progress during the past year.

As reported on July 30, Siebe Gorman achieved a 15 per cent increase in pre-tax profits from £3.1m to £4.04m for the year to April 2, 1982, on turnover up from £45.6m to £52.5m.

At the year end, group fixed assets were up from £5.46m to £9.82m. Net current assets were marginally lower at £16.15m (£16.22m), including bank overdraft of £1.9m (£1.92m). Shareholders' funds improved from £19m to £20.73m.

Meeting, Cavendish Hotel, SW, September 16, 12.30 pm.

Commercial Bank of Wales decline

A FALL in pre-tax profits at the Commercial Bank of Wales from £558,000 to £402,000 for the six months to June 30 1982 is described by Sir Julian Rodge, chairman as "disappointing".

The last full year pre-tax profits of this bank stood at £1.11m, and at the end of the year the directors did not expect a substantial growth in business until there was industrial and commercial expansion.

Sir Julian controls about 24 per cent of the shares.

Last January the bank was given recognised status by the Bank of England.

Sir Julian points out that banking profit has again been further improved by about 23 per cent over the comparable period. However only a small profit was made by the bank's instalment credit subsidiary, Forthright Finance.

The instalment credit industry, says Sir Julian, is undergoing the most difficult period with many institutions competing for a much contracted market. Rates for both business and personal credit have been continually reduced well in advance of any anticipated reduction in interest rates, which has squeezed margins at a time of increased arrears and bad debt.

The growth in banking turnover continues, says Sir Julian, with an increase in the number of commercial customers for whom the range of services has been extended. He adds that

the foreign department has been expanded in response to demand.

Sir Julian believes that the coming 12 months will be most important in the expansion of the banking business which will be characterised by the development of an even closer relationship with customers, added to which will be the provision of additional management capacity to assist and advise a new generation of small businesses which are slowly, but at an increasing rate, establishing themselves within the Principality.

Operating profits for the period under review were shown at £4.7m and interest payable amounted to £3.97m. Tax took £152,000, leaving £250,000 retained.

The balance sheet for the six months shows that loans and advances stood at £50.93m, against £51.06m at the last year end. The balance sheet total was given at £71.07m compared with £72.29m. Current deposit and other accounts moved ahead slightly from £44.5m to £47.15m. Bills payable, short and medium term loans were lower at £14.55m against £18.15m.

GrandMet sales up by 21.4%

EXTERNAL sales of the Grand Metropolitan group for the nine months to June 30 1982 were slightly ahead at £2,514.7m compared with £2,117.5m for the same period of the previous year, representing an increase of 21.4 per cent.

Excluding the external sales of Intercontinental Hotels Corporation, acquired by the group in September 1981, the increase was 16.5 per cent.

Comparisons with previous periods in Liggett's report for the three months and nine months to June 30 are distorted by the timing of the introduction of increases in selling prices and

other factors affecting performance over short periods.

Third quarter net earnings at Liggett Group moved ahead sharply from \$9.05m to \$20.36m on net sales higher at \$348.88m against \$308.95m. This brings earnings for the nine months to June 30 up by \$18.61m, to \$967.49m compared with a lower figure last time of \$948.45m.

Cost of goods sold for the three months rose from \$208.71m to \$223.72m. Selling, administrative and general expenses moved up from \$73.73m to \$75.89m, which left earnings higher at \$302.61m (\$282.44m).

Operating income was given as rising from \$26.51m to \$46.27m.

Progress at Dares Estates

Dares Estates were down from £345,000 to £105,000 in the half-year to June 30, 1982, the directors say the results do not reflect the progress that has been made.

They point out that due to the sale of the house building division in September 1981, turnover is reduced. At the interim stage, this was £970,000 compared with £4.3m.

Consequently, the board feels justified in maintaining the interim dividend at the same level as last year — 0.5p, as it is anticipated that satisfactory overall profits for the full year will be achieved. Last year's total payout was 1.25p.

First-half trading profits totalled £65,000 (£120,000) and realised surpluses fell from £228,000 to £40,000.

Setback for Howard Shuttering

PRE-TAX PROFITS at Howard Shuttering (Holdings) fell from £621,490 to £359,853 in the year to April 30, 1982, with second-half profits falling from £318,000 to £132,000. Turnover of this holding company with interests in formwork and shuttering, erection of concrete structures, plant hire and property development, was down from £5.07m to £4.89m.

The final dividend is effectively raised from 0.5p to 0.865p net for total of 1.4p against an adjusted 1.33p.

After tax of £36,556 (£50,127 credit), attributable profits before extraordinary items emerged at £233,287 against £113,500. There was an extraordinary credit this time of £170,154 which relates to a revaluation surplus on a freehold property. The property has been disposed of and the surplus is now therefore realised.

Dividends absorb £58,447 (£99,282) — Mr J. Howard, the chairman and managing director

and Mrs Howard have waived their rights to both interim and final dividends. Earnings per share, adjusted to take into account the one-for-two scrip, were 4.3p against 15.1p

Cawoods ahead in current year

THE CURRENT year at Cawoods Holdings has started with higher profits in the first three months, says Mr Edward Binks, the chairman of this fuel distribution and building materials group, which this year became a subsidiary of Redland.

"Subject only to unforeseen circumstances over which we have no control and an exceptional mild winter, we expect to produce another satisfactory result for the year," he states.

Mr Binks says the company has been encouraged by the increase in the housing starts figures published recently. "But we must wait to see whether the anticipated improvement in the building industry becomes a reality."

As reported July 17, pre-tax profits for the year to March 31 1982 rose by 23.6 per cent from £12.5m to £16.7m, on turnover of £268.7m (£222.1m).

At the year end, total shareholders funds rose by £7.1m to £50.2m and the book value of net assets increased by £7.4m to £54.7m. Fixed assets expanded to £33m (£25.2m) by additions during the year of £11.8m, which

included coal handling, quarry, asphalt, refractories and liquid petroleum gas handling plant and equipment, motor vehicles, equipment for leasing and mineral bearing land.

Stocks decreased by £0.6m to £11.57m, attributable mainly to reductions in stocks of coal, building materials and refractories, which were partly offset by higher oil stocks. Larger debtors of £35.4m (£30.3m) and creditors of £96.7m (£83m) reflected increased turnover and higher prices.

Bank balances and cash improved by £3m to £10.3m, and were after expenditure in March of £9.2m on equipment for leasing.

Capital expenditure authorised and outstanding at the year end amounted to £0.1m and further capital spending amounting to £2.5m has been authorised since the year end.

The merger between Cawoods and Redland has now been completed — 99 per cent of ordinary shareholders in Cawoods have accepted the equity or cash offer under the terms of the agreed merger.

Meeting, Harrogate, September 8, noon.

Control Securities looks ahead with confidence

SINCE the end of the financial year at Control Securities, Mr Roger Van Doninck, chairman, speaking at the annual meeting, told members that various significant transactions had taken place. Most of the Second City shares had been sold realising a profit of £260,000, which had allowed the company to acquire two office properties in the main business area of Birmingham.

Once the refurbishment was complete these properties would be suitable for residential investment, and the directors intended to continue seeking to acquire properties of this kind.

Despite the uncertain outlook of the general economic situation Mr Van Doninck said that he could justifiably look forward to the future with more confidence.

He pointed out that in the past five years, the period for which he had been chairman, the performance of the company had given an annual appreciation of 100 per cent. During that time profits had increased fourfold, total assets had nearly trebled, shareholders' funds had increased two and a half times and the policy of paying an increased dividend had been continued.

The associate company, Cefin, anticipated that it would contribute profits to the Group similar to those of last year and that they would continue to contribute at this level for at least

the next three years.

The property dealing division continued to improve its stock while sales of properties during the current year had realised profits of £120,000. Present negotiations should produce further profits for this division, he said.

This year, as a result of transaction with the company had acquired the properties in Birmingham. These properties when refurbished and fully let together with the Exchange in Cardiff would produce an annual income of more than £380,000. The £4.5m Jewellery and Silver Centre would contribute an income of some £125,000 per annum.

The company's rent roll therefore, including increases from existing properties and subject to lettings continuing at their present rate, should more than double during the current financial year.

Due to the rate of expansion, borrowings will rise. Through international connections the company was able to obtain finance at relatively low rates of interest. Mr Van Doninck was confident that financing costs would remain reasonable. He said that he had been told that holders of the £500,000 Convertible Loan Stock were applying to convert which would reduce the annual interest payable by £40,000.

John Howitt more than doubled at £803,944

PRE-TAX profits of the privately owned Nottingham-based John Howitt Group jumped by 108.9 per cent to a record £803,944 for the year to December 31 1981, against £384,887 previous to conversion.

Mr Patrick Howitt, the chairman, says that the result is highly satisfactory at a time when numerous competitors are in severe difficulties. Expansion through the factories—the group is a

leading, high quality printer geared largely to the advertising and mail order markets—coupled with aggressive marketing, has resulted in a sales increase of 15.5 per cent.

The group's continuous policy of investing in the latest technology has enabled all subsidiaries to cope with the extra volume. Customers have benefited from extremely fast turn around of orders.

ESTIMATED HALF YEAR RESULTS FOR 1982 AND INTERIM DIVIDEND FROM:

Royal Insurance

	6 months to 30 June 1982 (unaudited)	6 months to 30 June 1981 (unaudited)	Year 1981
	£m	£m	£m
General Insurance: Premiums Written	867.0	724.8	1,489.9
Underwriting Balance	-94.0	-30.6	-102.9
Investment Income allocated to General Insurance operations	89.0	67.7	152.3
General Insurance Result	-5.0	37.1	49.4
Long-term Insurance Profit	6.6	5.7	12.1
Investment Income attributable to Capital and Reserves	26.4	21.3	49.0
Share of Associated Companies' Profits	4.0	3.9	7.0
Profit before Taxation	32.0	68.0	117.5
Less Taxation	0.2	27.4	44.9
Minority Interests	0.3	0.4	0.9
Net Profit attributable to the Shareholders (pence per share)	31.5 (16.7p)	40.2 (21.8p)	71.7 (38.5p)
Dividend (pence per share)	18.9 (10.00p)	18.4 (9.75p)	47.6 (25.25p)
Profit retained	12.6	21.8	24.1

Exchange Rates

Foreign currencies have been translated according to our normal practice at approximately the average rate of exchange ruling during the period. The principal rates were:-

	6 months to 30 June 1982	6 months to 30 June 1981	Year 1981
USA	\$1.81	\$2.19	\$2.02
Canada	\$2.22	\$2.62	\$2.42
Australia	\$1.70	\$1.89	\$1.76
Netherlands	Fls4.72	Fls5.26	Fls5.02

Changes in exchange rates adversely affected the underwriting balance by £11.1m and benefited the total investment income by £11.9m.

Interim Dividend

The directors have declared an interim dividend of 10.00p per 25p share compared with 9.75p in 1981. The dividend will be payable on 5th January 1983 to shareholders registered at the close of business on 2nd December 1982.

Investment Income

Total investment income at £115.4m increased in sterling terms by over 29%; allowing for the changes in the rates of exchange the growth was 16%.

Long-term Insurance

The profit of £6.6m (£5.7m) represents a half of the estimated contribution from long-term insurance profit coming through for the whole year.

General Insurance

Premium income rose by some 19% in sterling; allowing for the effect of currency changes, the increase was 7%. Details for the individual profit centres are as follows:-

	6 months to 30 June 1982				6 months to 30 June 1981			
	Premiums Written	Under-Writing Balance	Allocated Investment Income	General Insurance Result	Premiums Written	Under-Writing Balance	Allocated Investment Income	General Insurance Result
	£m	£m	£m	£m	£m	£m	£m	£m
Royal USA	349.5	-50.8	36.4	-14.4	251.8	-12.5	26.7	14.2
Royal UK	259.8	-22.9	25.9	3.0	232.0	10.5	20.5	31.0
Royal Canada	96.3	-11.1	14.3	3.2	98.3	-19.3	9.8	-9.5
Royal Int.	56.9	-1.4	3.4	2.0	50.3	-1.9	3.2	1.3
Royal Nederland	39.5	-2.6	3.1	0.5	38.9	1.4	2.6	4.0
Royal Australia	-34.1	-2.6	4.1	1.5	29.2	-7.4	3.4	-4.0
Royal Re	30.9	-2.6	1.8	-0.8	24.3	-1.4	1.5	0.1
	867.0	-94.0	89.0	-5.0	724.8	-30.6	67.7	37.1

CONTROL SECURITIES PLC

PROPERTY INVESTMENT AND DEVELOPMENT
Results for the year to March 31st 1982

- * Pre-tax profit increased 58% to £1,007,453
- * Earnings per share up 36% at 4.73p
- * Dividend raised 12.5% to 4.5p per ordinary share

"The performance of your Company during the last 5 years gives grounds for satisfaction. Over that period our profits have increased four-fold, our total assets have nearly trebled, shareholders' funds have increased 2 1/2 times and we continue our policy of paying an increased dividend."

The sale of the Second City shares, as well as realising a profit of £260,000 allowed us to acquire two office properties in the prime business area of Birmingham. Once our refurbishment is completed, these properties will be suitable for institutional investment.

Our recent acquisition, The Exchange in Cardiff, is currently being refurbished, and future rental levels will reflect the work we are carrying out.

Our rent roll including our recent acquisitions as well as increases from existing properties and subject to lettings continuing at their present rate, should more than double during the current financial year.

Despite the uncertain outlook of the general economic situation I can justifiably look forward to the future of your Company with more confidence than at any time since I have been Chairman."

Roger H. M. Van Doninck
Chairman

Copies of the report and accounts can be obtained from: Control Securities PLC, Central House, 10 Shepherdess Walk Road, London W8 7TA.

The Kansai Electric Power Company, Inc.
Osaka

DM 150,000,000 4% Convertible Debentures 1979/1984

Adjustment of the Conversion Price

The Kansai Electric Power Company, Incorporated, will increase its share capital by offering 30,000,000 new shares of DM 500 each on September 30, 1982. New shares of Common Stock at the rate of 0.15 new shares for one share then held at a subscription price of Yen 500.

The conversion price of the Convertible Debentures of the Company will be adjusted on September 30, 1982. The adjusted conversion price will be published immediately after September 30, 1982.

On behalf of the Kansai Electric Power Company, Incorporated

Dresdner Bank
Aktiengesellschaft

Frankfurt am Main
August 1982

Group Head Office, 1 Cornhill, London EC3V 3QR.

MINING NEWS

Companies and Markets

Final dividend reduced at Impala after poor year

By GEORGE MILLING-STANLEY

SOUTH AFRICA'S Impala Platinum has followed the 10 cents share cut in its interim dividend with a reduction of 25 cents in the final payment to 50 cents.

Total sales during the past 12 months were still at a reasonable level, Mr Pavitt claimed, although several customers reduced their off-take towards the minimum specified in their contracts.

The very low level of traditional industrial off-take of the metal from the free market has resulted in the price in that market falling substantially below the producer price, Mr Pavitt pointed out.

Charter to share S. Crofty with RTZ

LONDON'S Charter Consolidated mining and industrial group yesterday announced that it had secured a controlling interest in South Crofty, the Cornish tin producer, and intended to bid for the minority as soon as possible.

Lower profits for Long Lac

FORWARD SALES of gold helped Long Lac Minerals, the main operating company of Canada's Little Long Lac Gold Mines group, to limit the fall in profits for the first half of this year.

Minerals acquired the assets of Wilroy Mines, Les Mines Est-Maritimes, Les Terrains Auriferes Martitimes (Quebec) and Long Lac Mineral Exploration.

The group's exploration arm, Long Lac Mineral Exploration, has announced the discovery of what it calls significant mineralisation in the Hemlo district of north-western Ontario.

Philippines groups slide into the red

THREE OF the leading metal producers in the Philippines have turned in net losses for the six months to June 30, mainly as a result of low metal prices.

In the latest half-year, Marinduque's net losses increased by P25.45m. The government plans to assume the cost of the company's foreign debt this year, through the Development Bank of the Philippines and the Philippine National Bank.

Marinduque's net losses increased by P25.45m. The government plans to assume the cost of the company's foreign debt this year, through the Development Bank of the Philippines and the Philippine National Bank.

INTERIM REPORT Robeco, Europe's largest investment trust, comments on the world-wide investment climate in its latest Interim Report at 1st July, 1982. It also lists its portfolio and its principal purchases and sales and explains the reasoning behind these moves.

NOTICE (This notice supercedes the one published on April 23, 1982) BANCO DE LA NACION ARGENTINA US\$ 25,000,000 Floating Rate Notes due 1987

You'd better be in the picture. Advertisement for Reuter Monitor Oil Service featuring an image of a control room with multiple monitors and a person operating a console.

The Reuter Monitor Oil Service. In conjunction with leading world contributors, Reuters has launched a new service to meet the changing needs of the oil trading market.

To: The Market Manager, Oil, Reuters Ltd, 85 Fleet Street, London EC4P 4AJ. Form for requesting information on the Reuter Monitor Oil Service.

BIDS AND DEALS

Buyout from Lex Service

Lex Service Group has sold Sellers and Batty (Hatfield), a North London commercial vehicle distributor, for an undisclosed amount.

NO PROBES

The following mergers will not be referred to the Monopolies and Mergers Commission: Aetna Life and Casualty Company - a substantial minority interest in Samuel Montagu and Co (Holdings); F. J. C. Lilley PLC/Malmerston Holdings.

BERISFORD/BSC

Acceptances at 3pm on August 13, 1982 of S. and W. Berisford's offer for British Sugar Corporation have been received in respect of 13,617,590 British Sugar shares, representing 22.7 per cent of the share capital.

WHITTINGTON

Whittington Estates has acquired Pigott Properties (Oxford) for £171,000 cash. Pigott owns properties in the Oxford area which are held for investment purposes.

SHARE STAKES

Black Arrow Group - Williams and Glyn's has disposed of 992,485 shares (18.03 per cent). Martin-Black - Company has been notified by House of Sethia that one of its subsidiaries has acquired a further 76,000 ordinary shares of Sethia's previous interest was 183,000 shares (13.84 per cent).

LONDON TRADED OPTIONS August 15 Total Contracts 1183 Calls 528 Puts 655. Table with columns for Option, Expiry, Closing price, Offer, Bid, Volume, etc.

EUROPEAN OPTIONS EXCHANGE. Table with columns for Series, Vol., Last, Bid, Offer, etc. for various options.

This announcement appears as a matter of record only. C.A. Venezolana de Pulpa y Papel-Venepal U.S. \$10,000,000. Advertisement for Chemical Bank.

COMMODITIES AND AGRICULTURE

Coffee pact compromise expected

COFFEE producing countries' dependence on their coffee exports is likely to force a compromise...

French ban on hormone meat

THE French Government has imposed a ban on imports of meat from animals treated with hormones...

Test points to bigger sugar crop

BONN — Results from the second West German sugar beet test of the 1982-83 campaign...

MALAYSIAN COCOA

Learning to live with surplus

DICKSON CHOK, for 16 years a Sabah's cocoa planter, cut a cocoa pod with the care of a surgeon...

BY DAVID DODWELL, RECENTLY IN SABAH
some time before it begins to get better. A god case in point is the Saklan Desa plantation...

U.S. bank rate cut lifts LME prices

NEWS OF cuts in U.S. bank prime rates sparked a general rise in London Metal Exchange base metal prices yesterday...

EEC aid boosts rape production

HAMBURG — The European Community's price support policy has played a decisive role in more than doubling its rape production over the past five years...

Chicago futures trial delay likely

THE THREE-YEAR trial of futures trading on the Chicago Board of Trade, which was delayed 90 days to give brokers more time to prepare for the programme...

Fishmeal plant plan for Barra

THE Hull Fish Meal Company hopes to build a modern fishmeal plant on the island of Barra in the Outer Hebrides...

LONDON OIL SPOT PRICES

Table with columns for oil types (Arabian Light, Brent, etc.) and prices.

GAS OIL FUTURES

Table with columns for gas oil futures contracts and prices.

BRITISH COMMODITY MARKETS

Table with columns for base metals (Copper, Zinc, etc.) and prices.

PRICE CHANGES

Table with columns for various commodities and their price changes.

AMERICAN MARKETS

Table with columns for American market data (Live Cattle, Pork, etc.) and prices.

GOLD MARKETS

Gold rose 84 to \$342.943 in the London bullion market yesterday, finishing at the highest level of the day...

LONDON FUTURES

Table with columns for London futures contracts (Gold, Silver, etc.) and prices.

COCOA

Table with columns for cocoa prices and market data.

SOYABEAN MEAL

Table with columns for soyabean meal prices and market data.

EUROPEAN MARKETS

Table with columns for European market data (Wheat, Sugar, etc.) and prices.

BROKING HOUSE requires 1,000 to 1,200 sq. ft. office space with up-to-date communications.

CLASSIFIED ADVERTISEMENT RATES Commercial and Industrial Property Residential Property Business, Investment Opportunities...

Table with columns for various commodities (Aluminum, Zinc, etc.) and prices.

Table with columns for various commodities (Wool, Cotton, etc.) and prices.

Table with columns for various commodities (Soybeans, etc.) and prices.

Table with columns for various commodities (Wool, Cotton, etc.) and prices.

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Table with columns for various commodities (Wool, Cotton, etc.) and prices.

INTERNATIONAL COMPANIES and FINANCE

The Euromarket's personality cult

"THERE are two ways to make headlines in this business. You either launch the biggest Eurobond deal since sliced bread or you launch yourself out of your bank and somewhere else."

These words, from a veteran Eurobond trader in London, sum up neatly the two main routes to stardom for the scores of bankers in this competitive market.

Of late, the self-launching method has been competing with the bond-launching technique for prominence in these pages. The surprise departures of seven Eurobond executives from Hambros Bank and four from Credit Suisse First Boston have attracted as much attention in this personality-dominated market as have the "big" recent deals such as AT and T's debut or the World Bank's recent \$400m dollar-Swiss franc swap transaction. Only last week two Manufacturers Hanover Trust traders announced their plan to develop a Eurobond presence at E. F. Hutton's London office.



Mr Hans-Joerg Rudloff, deputy chairman of CSFB who has masterminded some of the market's most dazzling deals, agrees with the Yassukovich assessment. "This market," says Mr Rudloff, "boils down to a handful of people who are motivated, imaginative and willing to work 14 to 16-hour days."

"If you don't watch out minute by minute you lose your shirt," he declares.

Mr Rudloff, who works in the turbulent world of CSFB, feels the problem is one of a management misunderstanding in many Eurobond houses of what is involved in being a bond dealer or a new issue manager. "These people are not understood by their general division."

Another example of this theory of why Eurobonders jump about might be found in the case of Mr Hamish Leslie Melville, a Hambros relation who resigned along with six senior Hambros executives last month to start a new bank for Skandinaviska Enskilda Banken. At Hambros Mr Melville was in charge of international banking and new issues; at SEB's new London operation he will be chief executive.

The Hambros and CSFB mass exodus are only the more publicised examples of the Eurobond merry-go-round. There are signs that the Eurobond business is becoming increasingly institutionalised and perhaps the cult of personality ingredient will not be as prevalent a characteristic in the future. But as long as the business continues to grow and gyrate in its own inimitable manner—this year churning out more than \$30bn of new issues in the first half—it will continue to attract the headline grabbers.

"I'm a Eurobond dealer," remarked one seasoned veteran, "but I almost prefer the foreign exchange and bullion markets. At least they don't have all these celebrities to contend with."

In addition, traders have to assess the anti-trust implications of the deal. Gulf Oil's decision to withdraw its \$63 a share offer followed antitrust objections from the Federal Trade Commission.

Cities said on Friday that it was still looking for other possible partners. Any bidder prepared to come up with \$50 a share in cash would seem likely to have the edge over Occidental.

Trading in Cities Service AEG subsidiary applies to courts for protection

By Richard Lambert in New York

THE FINANCIAL problems of the AEG-Telefunken parent company spread yesterday to the first of its domestic subsidiaries and is expected to engulf further group companies in the next few days.

Küppersbusch, a 98.8 per cent-owned household appliances manufacturer, has been forced to apply to the courts for protection from creditors, a move already taken by the AEG parent company a week ago on grounds of insolvency.

The Küppersbusch board said yesterday that the move became unavoidable following the decision last Thursday by AEG to deny it the necessary liquidity to carry on its business.

The flow of funds to Küppersbusch from AEG—which has acted as a house bank for most of its domestic subsidiaries—began to falter during the early part of last week, said Küppersbusch yesterday, but was fully restored on Thursday.

Occidental is planning to offer \$50 a share cash for half the outstanding Cities shares—worth a total of \$2.6m. It plans to offer a package of zero coupon notes and preferred stock for the rest.

The overall value of its bid is \$50 a share, but some analysts suggest that Occidental's paper will be worth considerably less than that, making the overall deal worth perhaps no more than \$45 a share.

By Kevin Done in Frankfurt

THE Rühr region—an area with one of the highest unemployment rates in the Federal Republic—had sales last year of DM 340m (\$138m) and a workforce at the end of last year of 2,255. Its manufacturing products include appliances such as vacuum cleaners, washing machines, dryers and washing machines.

Similar tactics of cutting off the flow of liquidity could force other subsidiaries into the hands of the courts in the next few days. Both Zanker GmbH in Tübingen (100 per cent owned and around 1,000 employees, a manufacturer of dryers and washing machines) and Neg-Werke in Bretten (99.5 per cent owned, around 2,000 employees, a maker of cookers and built-in kitchens) are known to be studying a move to the courts.

By Walter Ellis in Amsterdam

HOLLAND'S third largest commercial bank, Nederlandse Middenstandsbank, recorded a net profit for the first six months of this year of Fl 50.2m (\$18.2m), compared with Fl 52.3m during the same period in 1981.

A 74 per cent rise in the provision for debt—from Fl 100.5m to Fl 175m—is the main reason for the deterioration.

Only last year, Amro, the second-largest commercial bank, saw its first-half profits fall by nearly 44 per cent. On the other hand, the largest bank, ABN, recorded a drop of only 4.6 per cent.

Company bankruptcies have been sharply on the increase in the Netherlands this year and now stand at a new record level. NMB has a long association with small businesses and, accordingly, must have been expected to face pressure on its earnings this year.

Dr Hans Werthen, chairman of Elektronix, said last night: "We have shown an interest in what happens. We follow developments very closely. We have to get some facts first."

The two companies have had close links for several years and Elektronix already buys in washing machines from AEG for its 'Inkerling' under its Hysteria brand. To date it has no household appliances interests in West Germany, although it does have nine West German plants making products such as vacuum cleaners, sewing machines and fridges for commercial use.

Extensive risk provisions are also expected in the second half of the year. To improve the Dutch economic situation is, however, the bank said, "Dutch banks' HMB's balance total rose 5.3 per cent to Fl 58.5bn. Accounts receivable fell 4.8 per cent to Fl 33.7bn, while entrusted funds rose 3.3 per cent to Fl 59.2bn. Gross savings in 1981 totalled Fl 5.6bn.

Bad debts hit NMB earnings

By Walter Ellis in Amsterdam

FT INTERNATIONAL BOND SERVICE

The list shows the 300 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday September 14.

Other Straights

Issued	Offer	Change
Bell Canada 1982	100	+0.12
Can. Nat. 1982	100	+0.12
Can. Nat. 1983	100	+0.12
Can. Nat. 1984	100	+0.12
Can. Nat. 1985	100	+0.12
Can. Nat. 1986	100	+0.12
Can. Nat. 1987	100	+0.12
Can. Nat. 1988	100	+0.12
Can. Nat. 1989	100	+0.12
Can. Nat. 1990	100	+0.12
Can. Nat. 1991	100	+0.12
Can. Nat. 1992	100	+0.12
Can. Nat. 1993	100	+0.12
Can. Nat. 1994	100	+0.12
Can. Nat. 1995	100	+0.12
Can. Nat. 1996	100	+0.12
Can. Nat. 1997	100	+0.12
Can. Nat. 1998	100	+0.12
Can. Nat. 1999	100	+0.12
Can. Nat. 2000	100	+0.12
Can. Nat. 2001	100	+0.12
Can. Nat. 2002	100	+0.12
Can. Nat. 2003	100	+0.12
Can. Nat. 2004	100	+0.12
Can. Nat. 2005	100	+0.12
Can. Nat. 2006	100	+0.12
Can. Nat. 2007	100	+0.12
Can. Nat. 2008	100	+0.12
Can. Nat. 2009	100	+0.12
Can. Nat. 2010	100	+0.12

Other Straights

Issued	Offer	Change
Alfred Berg 1982	100	+0.12
Alfred Berg 1983	100	+0.12
Alfred Berg 1984	100	+0.12
Alfred Berg 1985	100	+0.12
Alfred Berg 1986	100	+0.12
Alfred Berg 1987	100	+0.12
Alfred Berg 1988	100	+0.12
Alfred Berg 1989	100	+0.12
Alfred Berg 1990	100	+0.12
Alfred Berg 1991	100	+0.12
Alfred Berg 1992	100	+0.12
Alfred Berg 1993	100	+0.12
Alfred Berg 1994	100	+0.12
Alfred Berg 1995	100	+0.12
Alfred Berg 1996	100	+0.12
Alfred Berg 1997	100	+0.12
Alfred Berg 1998	100	+0.12
Alfred Berg 1999	100	+0.12
Alfred Berg 2000	100	+0.12
Alfred Berg 2001	100	+0.12
Alfred Berg 2002	100	+0.12
Alfred Berg 2003	100	+0.12
Alfred Berg 2004	100	+0.12
Alfred Berg 2005	100	+0.12
Alfred Berg 2006	100	+0.12
Alfred Berg 2007	100	+0.12
Alfred Berg 2008	100	+0.12
Alfred Berg 2009	100	+0.12
Alfred Berg 2010	100	+0.12

Daon halts interest and dividend payments

By Robert Gibbins in Montreal

DAON DEVELOPMENT, the Vancouver-based real estate development group headed by Mr Jack Poole, which was introduced to the London stock markets in 1981, has suspended interest payments on its debentures and preferred and common share dividends. Negotiations continue with its banks to restructure its short-term debt.

The suspension includes the C\$735,000 due last Sunday on its various "G" debentures. Mr Poole indicated earlier this year that Daon has become over-extended in its development business, mainly in Western Canada and the U.S.

and began to renege last August when interest rates went well over 20 per cent. The staff has been cut by 50 per cent and its residential apartment inventory also cut by 30 per cent. Some assets such as shopping centres have been sold.

Daon's problems stemmed from high carrying costs of land and finished condominium apartments and a short-term debt which reached about C\$1bn (U.S.\$800m) at the start of the fiscal year to October 31, 1982. Analysts believe the short-term debt has been reduced by half, but the residential market in Canada and the U.S. has not

shown any real signs of recovery. Daon planned to sell its jointly-owned head office building in Vancouver for C\$41m, but the deal fell through because of opposition from its partners. Another recent acquisition, a major office tower in Montreal bought for around C\$50m, was to have been sold but has been taken off the market.

After a C\$44m write-down of residential inventory, Daon earnings for fiscal 1981 were \$14.6m or 58 cents a share, against \$27.4m or \$1.10 a share previously, on sales down to \$28m from \$312m last year.

Net earnings for the full year were \$57.7m or \$2.31 a share, against \$62.3m or \$2.67 a share previously. Yearly sales were \$1.15bn compared with \$1.1bn.

WEST GERMANY'S capital markets sub-committee yesterday announced a DM 1.1bn calendar of public bond issues for the next 30 days. Ten scheduled issues will include a DM 100m bond for Ireland and a DM 150m bond for New Zealand.

This announcement appears as a matter of record only.

August, 1982

NEW ISSUE

15,000,000,000 Japanese Yen

ASIAN DEVELOPMENT BANK

8 1/2% Japanese Yen Bonds of 1982, due 10 August 1992

ISSUE PRICE 100 PER CENT.

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Deutsche Bank Aktiengesellschaft S.G. Warburg & Co. Ltd.

Algemene Bank Nederland N.V. Bank of Tokyo International Limited

Banque Nationale de Paris Credit Suisse First Boston Limited

The Development Bank of Singapore Limited IBJ International Limited

Kuwait Investment Company (S.A.K.) LTCB International Limited

The Nikko Securities Co., (Europe) Ltd. Nomura International Limited

Swiss Bank Corporation International Union Bank of Switzerland (Securities) Limited

Yamaichi International (Europe) Limited

Amro International Limited Baring Brothers & Co., Limited Creditanstalt-Bankverein

Crédit Commercial de France Crédit Lyonnais Goldman Sachs International Corp.

The Hongkong Bank Group Jardine Fleming (Securities) Limited Kleinwort, Benson Limited

Kreditfabrik S.A. Luxembourgergoise Lehman Brothers Kuhn Loeb International, Inc.

Manufacturers Hanover Limited Merrill Lynch International & Co. Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd Morgan Stanley International Nippon Credit International (HK) Ltd.

Orion Royal Bank Limited Salomon Brothers International Schroders & Chartered Limited

Société Générale Société Générale de Banque S.A.

BNP-Daiwa (Hong Kong) Limited Dai-ichi Kangyo International Limited Daiwa Europe Limited

Daiwa Overseas Finance Limited Daiwa Securities (H.K.) Ltd. DBS-Daiwa Securities International Limited

East Asia Warburg Ltd. Fuji International Finance Limited Kyowa Bank Nederland N.V.

Mitsubishi Bank (Europe) S.A. Mitsubishi Trust & Banking Corporation (Europe) S.A.

Mitsui Finance Europe Limited Mitsui Trust Bank (Europe) S.A. New Japan Securities International (HK) Ltd.

Nippon Kangyo Kakumaru (Asia) Ltd. Okasan International (Asia) Ltd. Osakaya Securities Co. Ltd.

Sanwa Bank (Underwriters) Limited Sanyo Securities Co., Ltd. Sumitomo Finance International

Sumitomo Trust International Limited Tokai Bank Nederland N.V. Wako International (Europe) Limited

Yamatane Securities Co., Ltd. Yasuda Trust & Finance (Hong Kong) Ltd.

Fall at Parker Hannifin

A 46 per cent fall in fourth quarter earnings is reported by Parker Hannifin, the U.S.-based supplier of components for fluid systems, in industrial, automotive and aerospace markets. Profits were \$14.6m or 58 cents a share, against \$27.4m or \$1.10 a share previously, on sales down to \$28m from \$312m last year.

DM 1.1bn bonds calendar set

WEST GERMANY'S capital markets sub-committee yesterday announced a DM 1.1bn calendar of public bond issues for the next 30 days. Ten scheduled issues will include a DM 100m bond for Ireland and a DM 150m bond for New Zealand.

The terms of the first 10 issues were announced last night on behalf of Norsk Hydro, which will be raising DM 100m through lead-manager Deutsche Bank. The issue, carrying a 9 per cent coupon and a 10-year maturity, is the second tranche of a two-part DM 200m bond launched in June.

The calendar also includes a U.S. corporate borrower, with McDonald's Corporation, the fast foods group which is planning a DM 100m issue through lead-manager Bayerische Vereinsbank.

The big fiscal question mark hanging over the future of such U.S. corporate borrowers in the Eurobond market had little discernible effect on secondary trading yesterday, in either the D-mark or U.S. dollar sectors.

D-Mark bonds ended slightly up on the day after subdued trading. Mexican issues moved lower still even after last week's sell-off and are now yielding between 15 and 16 1/2 per cent.

In the dollar sector, a strong market moved ahead in fairly active trading on the back of the firmer tone in New York after Friday's cut in the discount rate. Dollar bonds were marked up about 1/2 point at the outset of the day. Most held on to this advance and even strengthened further when New York's government stocks market opened higher in the afternoon.

FT INTERNATIONAL BOND SERVICE

The list shows the 300 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday September 14.

U.S. DOLLAR STRAIGHTS

Issued	Offer	Change
Aerco 1982	100	+0.12
Aerco 1983	100	+0.12
Aerco 1984	100	+0.12
Aerco 1985	100	+0.12
Aerco 1986	100	+0.12
Aerco 1987	100	+0.12
Aerco 1988	100	+0.12
Aerco 1989	100	+0.12
Aerco 1990	100	+0.12
Aerco 1991	100	+0.12
Aerco 1992	100	+0.12
Aerco 1993	100	+0.12
Aerco 1994	100	+0.12
Aerco 1995	100	+0.12
Aerco 1996	100	+0.12
Aerco 1997	100	+0.12
Aerco 1998	100	+0.12
Aerco 1999	100	+0.12
Aerco 2000	100	+0.12
Aerco 2001	100	+0.12
Aerco 2002	100	+0.12
Aerco 2003	100	+0.12
Aerco 2004	100	+0.12
Aerco 2005	100	+0.12
Aerco 2006	100	+0.12
Aerco 2007	100	+0.12
Aerco 2008	100	+0.12
Aerco 2009	100	+0.12
Aerco 2010	100	+0.12

DEUTSCHE MARK STRAIGHTS

Issued	Offer	Change
Asian Dev. Bank 1982	100	+0.12
Asian Dev. Bank 1983	100	+0.12
Asian Dev. Bank 1984	100	+0.12
Asian Dev. Bank 1985	100	+0.12
Asian Dev. Bank 1986	100	+0.12
Asian Dev. Bank 1987	100	+0.12
Asian Dev. Bank 1988	100	+0.12
Asian Dev. Bank 1989	100	+0.12
Asian Dev. Bank 1990	100	+0.12
Asian Dev. Bank 1991	100	+0.12
Asian Dev. Bank 1992	100	+0.12
Asian Dev. Bank 1993	100	+0.12
Asian Dev. Bank 1994	100	+0.12
Asian Dev. Bank 1995	100	+0.12
Asian Dev. Bank 1996	100	+0.12
Asian Dev. Bank 1997	100	+0.12
Asian Dev. Bank 1998	100	+0.12
Asian Dev. Bank 1999	100	+0.12
Asian Dev. Bank 2000	100	+0.12
Asian Dev. Bank 2001	100	+0.12
Asian Dev. Bank 2002	100	+0.12
Asian Dev. Bank 2003	100	+0.12
Asian Dev. Bank 2004	100	+0.12
Asian Dev. Bank 2005	100	+0.12
Asian Dev. Bank 2006	100	+0.12
Asian Dev. Bank 2007	100	+0.12
Asian Dev. Bank 2008	100	+0.12
Asian Dev. Bank 2009	100	+0.12
Asian Dev. Bank 2010	100	+0.12

SWISS FRANC STRAIGHTS

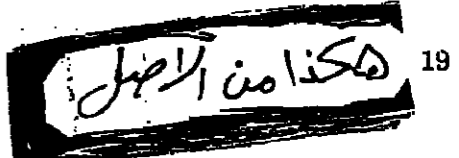
Issued	Offer	Change
Asian Dev. Bank 1982	100	+0.12
Asian Dev. Bank 1983	100	+0.12
Asian Dev. Bank 1984	100	+0.12
Asian Dev. Bank 1985	100	+0.12
Asian Dev. Bank 1986	100	+0.12
Asian Dev. Bank 1987	100	+0.12
Asian Dev. Bank 1988	100	+0.12
Asian Dev. Bank 1989	100	+0.12
Asian Dev. Bank 1990	100	+0.12
Asian Dev. Bank 1991	100	+0.12
Asian Dev. Bank 1992	100	+0.12
Asian Dev. Bank 1993	100	+0.12
Asian Dev. Bank 1994	100	+0.12
Asian Dev. Bank 1995	100	+0.12
Asian Dev. Bank 1996	100	+0.12
Asian Dev. Bank 1997	100	+0.12
Asian Dev. Bank 1998	100	+0.12
Asian Dev. Bank 1999	100	+0.12
Asian Dev. Bank 2000	100	+0.12
Asian Dev. Bank 2001	100	+0.12
Asian Dev. Bank 2002	100	+0.12
Asian Dev. Bank 2003	100	+0.12
Asian Dev. Bank 2004	100	+0.12
Asian Dev. Bank 2005	100	+0.12
Asian Dev. Bank 2006	100	+0.12
Asian Dev. Bank 2007	100	+0.12
Asian Dev. Bank 2008	100	+0.12
Asian Dev. Bank 2009	100	+0.12
Asian Dev. Bank 2010	100	+0.12

YEN STRAIGHTS

Issued	Offer	Change
Asian Dev. Bank 1982	100	+0.12
Asian Dev. Bank 1983	100	+0.12
Asian Dev. Bank 1984	100	+0.12
Asian Dev. Bank 1985	100	+0.12
Asian Dev. Bank 1986	100	+0.12
Asian Dev. Bank 1987	100	+0.12
Asian Dev. Bank 1988	100	+0.12
Asian Dev. Bank 1989	100	+0.12
Asian Dev. Bank 1990	100	+0.12
Asian Dev. Bank 1991	100	+0.12
Asian Dev. Bank 1992	100	+0.12
Asian Dev. Bank 1993	100	+0.12
Asian Dev. Bank 1994	100	+0.12
Asian Dev. Bank 1995	100	+0.12
Asian Dev. Bank 1996	100	+0.12
Asian Dev. Bank 1997	100	+0.12
Asian Dev. Bank 1998	100	+0.12
Asian Dev. Bank 1999	100	+0.12
Asian Dev. Bank 2000	100	+0.12
Asian Dev. Bank 2001	100	+0.12
Asian Dev. Bank 2002	100	+0.12
Asian Dev. Bank 2003	100	+0.12
Asian Dev. Bank 2004	100	+0.12
Asian Dev. Bank 2005	100	+0.12
Asian Dev. Bank 2006	100	+0.12
Asian Dev. Bank 2007	100	+0.12
Asian Dev. Bank 2008	100	+0.12
Asian Dev. Bank 2009	100	+0.12
Asian Dev. Bank 2010	100	+0.12

OTHER STRAIGHTS

Issued	Offer	Change
Bell Canada 1982	100	+0.12
Bell Canada 1983	100	+0.12
Bell Canada 1984	100	+0.12
Bell Canada 1985	100	+0.12
Bell Canada 1986	100	+0.12
Bell Canada 1987	100	+0.12
Bell Canada 1988	100	+0.12
Bell Canada 1989	100	+0.12
Bell Canada 1990	100	+0.12
Bell Canada 1991	100	+0.12
Bell Canada 1992	100	+0.12
Bell Canada 1993	100	+0.12
Bell Canada 1994	100	+0.12
Bell Canada 1995	100	+0.12
Bell Canada 1996	100	+0.12



applies protection

MUI on target after 30% first-half profits advance

BY WONG SULOONG IN KUALA LUMPUR

MALAYAN UNITED INDUSTRIES, the diversified investment group and high-flier of the 1981 Malaysian share boom, has reported a 30 per cent increase in pre-tax profit to just over 30m ringgit (US\$13m) for the half-year ended June.

business, its hotels and from increased rental income from its properties. The only dull spot was the group's 77 per cent owned, publicly-listed Central Sugars, where pre-tax earnings for the first half fell by 55 per cent to 8m ringgit. This was largely due to the Government's decision to lower the retail price of sugar, and an increase in operating costs.

earned 58.7m ringgit in fiscal 1981, up 165 per cent from 1980. MUI made the profit forecast in May when it announced that it was taking majority control of the Development and Commercial Bank and the Kwong Lee Bank through a share exchange deal, worth US\$180m. About 20m ringgit of MUI's profit this year is expected to come from these two banks.

Danish bank has accounts qualified

By Hillary James in Copenhagen

JYSKE BANK, one of Denmark's larger commercial banks, has had its 1981 accounts qualified. It has been told by the Ministry for Industry and the Bank Supervisory Board to adjust its accounts and reduce net profit for last year from DKK 1.2m to DKK 50m (\$8.5m).

The bank's management claims the changes are only technical and do not affect the financial solidity of the bank, whose equity capital would remain unchanged at DKK 710m.

The dispute with the authorities arises over entries covering the depreciation of shares in a holding company, acquired when Jyske Bank took over Finansbanken last year to become the country's sixth largest commercial bank.

The bank wrote off the shares against the balance sheet, but the authorities say they should have been written off against the profit and loss account.

The bank's auditors, who could face disciplinary investigations as a result of the case, claim that the 1981 accounts were fully compatible with the rules laid down in the Banking Act and the Companies Act.

Jyske Bank's acquisition last year of Finansbanken coincided with an increase in banking competition within Denmark following the replacement of individual credit ceilings with more generalised credit controls.

The merger brought together two very different banking styles. Jyske Bank is a typical Danish regional bank with a broad spread of business stemming from an infusion in recent years of more than half a dozen local banks. It is based in the mid-Jutland town of Silkeborg. In contrast Finansbanken is a specialist bank formed in the 1950s. It concentrates on mortgage business and in attracting foreign demand for Danish deposits.

Saga to raise \$900m credit

By Fay Gjester in Oslo

SAGA PETROLEUM, the Norwegian oil company, backed by about 300 Norwegian finance, industrial and shipping firms, has engaged a group of six banks to arrange a \$900m 12-year loan.

The money will be used to finance Saga's share of North Sea development projects in which it is involved, including the Gullfaks fields and the Statfjord gas transportation system. The banks concerned are Bergen Bank, Christiania Bank, Citicorp, Den norsk Creditbank, (agent) Morgan Guaranty, and Union Bank of Norway.

DSM in red but Akzo has improved second quarter

BY WALTER ELLIS IN AMSTERDAM

DSM, the Dutch state-owned chemical group, has slipped into the red for the first half of 1982. Against net profits of F191m, the company has incurred a loss of F122m (\$7.9m).

At the same time, Akzo, the Dutch chemicals multinational, has succeeded in making a net profit for the first half of this year of F185m, up F19m on the same period in 1981, with much of the improvement coming in the second quarter. Sales were down slightly but the negative impact was more than made up for by a 6 per cent increase in prices.

DSM's operating result for the 1982 first half, a loss of F122m, was F1248m down on the equivalent period in 1981. The setback affected nearly all of the group's divisions, of

which the fertilizer division had been hardest hit. Price increases for feedstocks and energy could only partially be passed on by way of higher selling prices because of mounting over-capacity.

One bright spot in a gloomy picture for DSM has been the reduction in debt. Interest charges decreased and the total number of outstanding loans fell. An extraordinary gain of F136m was obtained from the release of part of the provision for winding-up expenditure dating back to the time of termination of the group's former coalmining operations.

DSM is pessimistic about prospects for 1982 as a whole. Sales are expected to decline even further and a further small net loss is forecast.

Akzo meanwhile has seen net income for the second quarter of this year, at F158m, more than double from the F126m earned in the first three months. Volume sales fell by some 5 per cent in the first half of this year against the opening six months of 1981, but price rises meant that the value of sales moved up slightly, to F17.3bn.

Operating income at Akzo for the first half stood at F1261m — up F16m from the January-June period last year — with much of the rise being attributed to lower interest charges in Latin America.

Shipments of man-made fibres were down substantially, with the American division of Akzo's fibres subsidiary, Enka, especially affected.

Rodamco lifts net surplus

By Our Amsterdam Correspondent

RODAMCO, the Dutch investment trust, has declared a net profit for the 1981-82 financial year of F124.9m, a rise of 23 per cent on the previous 12 months. Income rose by 14 per cent, to F168.4m.

Rodamco is part of the Rotterdam-based Robeco investment empire, which is the biggest of its kind outside the U.S. The group as a whole has experienced tough trading this year so far, and the latest half-year report shows a fall in net assets from F14.56bn on January 1 to F14.13bn on July 1.

Robeco blames the continuing world recession and high U.S. interest rates for the less favourable investment climate. It observes that stock markets have given investors little satisfaction this year.

Earnings just ahead at Unisec

BY OUR JOHANNESBURG CORRESPONDENT

UNISEC, the South African investment holding company, increased its pre-tax profits by 17.5 per cent to R18.3m (\$15.8m) in the six months ended June from R13.3m a year earlier. A marked increase in the effective tax rate, however, meant that net profits advanced from R7m to only R7.1m. Turnover was 3225.5m against R155.6m.

Early last month Standard Bank Investment Corporation (Stabile), the holding company for the country's largest bank, acquired effective control of Unisec by buying 67.5 per cent of ToluX the Luxembourg registered holding company for R70.3m. Stabile has yet to decide on a policy for Unisec, which had appeared gradually to be becoming more

of an industrial holding company and less of an investment group. Since the start of the year, Unisec has sold listed investments with a book value of R19.7m for almost R41.9m. The company's portfolio of quoted shares at June 30 had a total market value of R16.5m and a book value of R7.6m.

Interim earnings per share increased marginally to 16.8 cents from 16.8 cents and an unchanged interim dividend of 8 cents a share has been declared.

The directors say it is difficult to forecast profits in the deteriorating economic climate but earnings for the full year are expected to be materially different to those in 1981. Last year Unisec earned 44.4

cents a share and paid a total dividend of 30 cents. Protec Holdings, the South African industrial conglomerate, increased turnover from R340.6m to R401.8m in the year ended June 30. Pre-interest profit rose from R42.2m to R48.9m but net interest paid almost doubled from R5.4m to R10.7m and pre-tax profit was slightly down at R36.2m against R36.8m.

Higher taxes left earnings per share down from 71.2 cents to 66.4 cents but the dividend total is increased from 29 cents to 31 cents.

The company said that the downturn in business conditions from the beginning of 1982 is expected to continue during the current financial year.

Spanish sherry group hit by labour stoppages

BY ROBERT GRAHAM IN MADRID

A MONTH long labour dispute has seriously affected the activities of one of Spain's best known sherry and brandy groups, Pedro Domecq.

The dispute has been triggered by worker demands for the reinstatement of five sacked employees but it also reflects at a deeper level Domecq's financial problems and the need to trim its labour force.

The dispute has now begun to involve other sherry producers and business concerns in the Jerez area. There have been numerous solidarity stoppages and sit-ins. Over the weekend the latest effort to reach a compromise apparently failed.

Workers representatives offered to work 15 days of their holidays free in return for the readmission of the sacked men. This offer was rejected. At the same time the Labour Ministry has denounced on a request for a series of lay-off proposed by the Domecq management. The Ministry said such a request could not be considered until Domecq provided further details of

group activities. Last year Domecq's Spanish operations, which essentially consist of the production and marketing of sheries and brandies, recorded a Pts 728m (\$6.5m) loss. Nevertheless group profits were Pts 1.1bn on total sales of Pts 45bn. A big slice of this came from earnings in Mexico, an operation which has buoyed up the group for the past three years.

To ease financial costs in Spain, Domecq is seeking to rationalise some investments and to further cut its 1,000 strong workforce to around 500 within the next four years. This is to be done via early retirement and incentives for voluntary departure but each such incentive costs around Pts 2m.

A consortium of shareholders, representing 57 per cent of the group's equity, that includes Spain's largest bank, Banesto and Hiram-Walker Espania, which is 50 per cent owned by the Canadian group, have guaranteed the survival of the operation but are awaiting the outcome of the labour talks before determining new investment.

Hong Kong hotel group sees downturn

By Robert Cotterell in Hong Kong

HONG KONG and Shanghai Hotels has announced interim net profits almost 17 per cent higher at HK\$74.8m (US\$12m). An interim dividend of 30 cents per share is proposed, an increase of 5 per cent over the prior year distribution, adjusting for the May scrip issue.

The company warns, however, that full-year net profits are likely to be lower than last year's HK\$100m. The group says it expects to pay a final dividend of 70 cents a share.

HSH attributes the probable shortfall to absorption of cash resources in its development programme, resulting in loss of interest earnings. It also warns of increased competition in the Hong Kong hotel market, and lower performances by the Manila Peninsula and Marco Polo Singapore hotels. The new Peking Jinguo is said, however, to have a high level of occupancy. The group's Hong Kong properties include the Peninsula Hotel, and the former Repulse Bay Hotel site which is being redeveloped.

Tata Engineering sales expand but orders shrink

BY R. C. MURTHY IN BOMBAY

TATA ENGINEERING and Locomotive Company (Telco), India's largest private sector company ranked by sales, has reported a 30 per cent increase in turnover in the year ended March to Rs 8,02bn (\$636m).

Pre-tax profits rose 73 per cent to Rs 418.3m from Rs 243.7m a year earlier. Telco said no tax last year because of capital cost allowances.

The company's order book has shrunk considerably, however. It has an inventory of 1,000 trucks, a sharp contrast to last year when there was a three-year waiting list for delivery and trucks were attracting a 10 per cent to 15 per cent premium over list price.

Telco blames the slump in truck sales on the credit squeeze imposed by the Reserve Bank of India.

Despite the current sales problems, Telco intends to go ahead with its expansion plans. The company's current authorised capacity is 56,000 vehicles a year but it has applied to the Government to raise this to 87,000.

This expansion was originally due to be completed in about four years. But in the light of market uncertainties, this could be extended, the company said.

Telco has designed a light commercial vehicle and is tooling up for production to fill an important slot in the market. The chassis has been designed for dual use as either a truck or mini bus for local services or light loads over long distances, particularly in hilly areas.


Keen competition is expected from other Indian companies which are opting for collaboration with Japanese companies. DCM, for example, is linking with Toyota Motor. Alwyn with Nissan Motor and Maruti with Suzuki Motor.

Telco has also produced prototypes of totally Indian-designed hydraulic excavators which are being tested and which will be in production by next March.

The other major company in the Tata family empire, Tata Iron and Steel Company (TISCO), also enjoyed brisk growth last year. It recently reported a 35 per cent rise in turnover to Rs 7.05 bn in the year ended March from Rs 5.2bn a year earlier.

Pre-tax profits grew by 49 per cent to Rs 776.5m and net profits advanced by 80 per cent to Rs 264.5m.

July 1982



THE COUNCIL OF EUROPE RESETTLEMENT FUND
for National Refugees and Over-Population in Europe

FONDS DE REETABLISSEMENT DU CONSEIL DE L'EUROPE
pour les Réfugiés Nationaux et les Excédents de Population en Europe

ECU 10,000,000
ten year loan facility


arranged by

BANQUE INTERNATIONALE DE GESTION ET DE TRESORERIE

BIGT

agent

THE SANWA BANK, LIMITED



All of these securities having been sold, this advertisement appears as a matter of record only.

\$300,000,000

International Bank for Reconstruction and Development

14 5/8% Five Year Notes of 1982, due August 1, 1987

Goldman, Sachs & Co.

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Salomon Brothers Inc

Morgan Stanley & Co.

Incorporated

The First Boston Corporation

August, 1982

KLEINWORT BENSON FINANCE B.V.

US \$50,000,000

Guaranteed Floating Rate Notes 1991

convertible until 1985 into 10% per cent Guaranteed Bonds 1995 and unconditionally and irrevocably guaranteed as to payment of principal, premium (if any) and interest by

KLEINWORT, BENSON, LONSDALE LIMITED

For the three months 17th August, 1982 to 17th November, 1982, the Notes will carry a Rate of Interest of 12 1/2% per annum with a Coupon Amount of US\$ 163.72.

CHEMICAL BANK INTERNATIONAL LIMITED

Agent Bank

NEW YORK

Table of stock prices for various companies in New York, including ACF Industries, AMF, and others.

Table of stock prices for various companies in New York, including Am. Standard, Am. Stores, and others.

Table of stock prices for various companies in New York, including Am. Express, Am. Home Prod., and others.

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Fresh sharp early Dow rally

RESPONDING TO cuts in last week, but was off 2 1/2% yesterday after the company denied the rumors.

The Dow Jones Industrial Average which recovered 11.3 last Friday from a 23-month low point, was ahead 12.94 at 800.99 yesterday.

Optimism over interest rates also buoyed Canadian markets yesterday morning, but stocks were below the best of a week ago.

After last Friday's technical rally, stock prices resumed their steady slide over a broad front.

Brokers reported fresh institutional selling and stop-loss selling by margin traders.

The Nikkei-Dow Jones Average, which picked up 47.46 on wake of Occidental Petroleum bid for Cities Service.

Closing prices for North America are available for this edition.

encouraging news of a cut in U.S. Discount Rate.

Prices for mark-denominated bonds reacted favorably to the renewed interest rate downward trend in the U.S.

Domestic considerations dominated the market in another quiet trading day.

The All Ordinaries index regained 1.1 to 461.1 while the Oil and Gas index recouped 7.8 to 3.1 at 348.7.

Shares closed mixed after a thin business as fears of a rising West German Government deficit and the problems of AEG-Telefunken offset the

The Paris and Brussels Bourses closed yesterday in observance of the Assumption Day holiday.

CANADA

Table of stock prices for various companies in Canada, including Alcan, Inco, and others.

BEELGIUM (continued)

Table of stock prices for various companies in Belgium, including Alcan, Inco, and others.

HOLLAND

Table of stock prices for various companies in Holland, including Alcan, Inco, and others.

AUSTRALIA

Table of stock prices for various companies in Australia, including Alcan, Inco, and others.

JAPAN (continued)

Table of stock prices for various companies in Japan, including Alcan, Inco, and others.

SINGAPORE

Table of stock prices for various companies in Singapore, including Alcan, Inco, and others.

HONG KONG

Table of stock prices for various companies in Hong Kong, including Alcan, Inco, and others.

NOTES-Prices on this page are as quoted on the individual exchanges and are last traded prices. Duplicates suspended, ad Ex dividend, ex Ex scrip issues, ex Ex rights, ex Ex tax.

Indices

Table of market indices including Dow Jones, S&P 500, and others.

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Companies and Markets

LONDON STOCK EXCHANGE

Interest rate euphoria develops and Gilt-edged stage biggest one-day rise for two years—Equities subdued

Account Dealing Dates

*First Declara- Last Account Dealings thons Dealings Day Aug 2 Aug 12 Aug 13 Aug 23 Aug 16 Sept 2 Sept 3 Sept 13 Sept 6 Sept 16 Sept 17 Sept 27

Falling transatlantic and domestic interest rates created euphoric conditions which took London Stock Exchange quotations up to fresh three-year peaks yesterday. Furthermore, the strength continued when dealings reopened after the 3.30 pm announcement of new Government funding to the tune of £500m, and selected longer-dated stocks ended with rises stretching to 2 1/2 points.

Weekend events in America triggered yesterday's boom. U.S. Prime lending rates tumbled in response to the Federal Reserve cutting its discount rate for the third time in four weeks. Subsequently, the UK authorities reduced money market intervention rates, signalling approval for clearing banks to cut base lending rates immediately by the expected 1 to 1 1/2 per cent.

The fact that the Gilt-edged market was earlier free of official tax contributed to the price upsurge. It highlighted a severe stock shortage and any profit-taking sales were eagerly absorbed by fresh domestic and overseas investment demand. Thoughts about the £800m issue of Treasury 10 1/2 per cent 1987, payable £40 on application on Thursday at a minimum tender price of 98 7/8, were highly

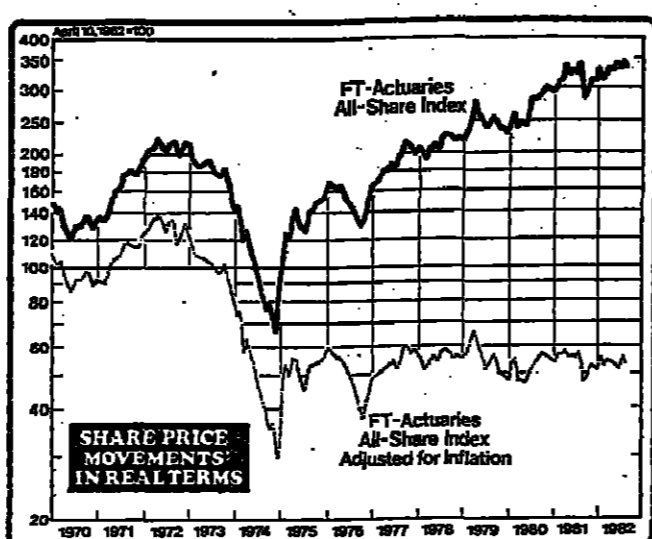
favourable and a sizeable subscription is anticipated.

Measuring the overall strength of the Gilt market, the FT Government Securities Index jumped 1.24 — its biggest advance in a single day since September 9, 1979 — to a fresh three-year high of 75.49, only 0.42 off the May 1979 peak which followed the Conservative General Election victory.

Although providing no competition for Gilts, equity markets retained a quietly firm undertone. Six constituents of the FT Industrial Ordinary share index were the most active, the combined reductions taking about three points off the index. This measure showed small losses at all calculations except at the close when it was nearly a point up at 548.5 helped by yesterday's strong early performance on Wall Street.

The recent disappointing interim dividend season and the trend towards lower interest rates together with concern about the Mexican financial crisis were the main factors contributing to a further sharp decline in the major clearing banks; last week's report that Midland's U.S. subsidiary Cricker National Bank is owed £11m by the financially unstable Texas Oilfield Supply Industries also helped to dampen sentiment. Barclays lost 10 more to 354p and NatWest to 400p, while Lloyds cheapened 2 to 380p and Midland fell the same amount to 296p.

Still reflecting the weakness in Hong Kong shares, Standard Chartered lost 11 more to 362p. Discount Houses, on the other hand, gained ground in sympathy with buoyant gilts. Union



advanced 15 to 476p and Gerrard and National 10 to 305p. Carter Allen put on 5 to 330p and Jessel Toybee, 66p, and King and Shaxson, 102p, appreciated 4 1/2 p.

Interim figures from Royals proved to be a little better than expected following Commercial Union's General Account's poor performance last week. The increased interim dividend, an near-53 per cent contraction in first-half profits left Royals 8 up at 350p, while Sun Alliance, which reported half-yearly figures on September 1, firmed 4 to 754p.

Delmar (formerly Speedwell Gear Case) made a quiet debut in the Unlisted Securities market, trading between 31p and 23p before closing at 30p.

In marked contrast to the paucity of interest generally shown elsewhere in the drinks sector attracted further institutional support after the official close and, following an active two-way business, the leader finished at the day's best. Bass and Grand Metropolitan added 9 and 61 respectively to the common level of 250p; the latter being ex the dividend. Allied-Levens, 116p, and Whitbread, 120p, both firmed 2 while, among regional, a favourable mention lifted Mansfield 3 to 416p. Cider manufacturers made further good progress on revived investment buying, although rises here were exacerbated by stock shortage. E. P. Bulmer advanced 25 to 600p, while Merrydowns Wine closed 17 higher at 178p.

Blue Circle, down 11 more at a 1982 low of 412p, remained depressed by the recent fall in the Chinese peso, while the Mexican exchange control measures also undermined sentiment. Elsewhere in the Building sector, D. Crouch stood out with a rise of 7 to 100p in response to a Press mention, along with Arnelife, which improved 4 to 42p. Tarmac rose 8 to 338p and Barratt Developments edged up 3 to 306p. Other firm spots included N. J. Gleeson, 5 higher at 104p. Howard Shuttering, in contrast, eased 2 to 31p, following lower annual profits.

Liverpool Trust hardened 2 to 51p in response to an investment recommendation and C. H. Industrials edged forward a penny to 17p following the chairman's optimistic statement. Up 23 last week on a broker's profits forecast, Jardine Exports firmed 3 to 382p, while Peter Black revived with a gain of 6 to 345p. By way of contrast, Pentos lost 2 to 9p on adverse comment.

With the noteworthy exception of Dowty, 4 up at 189p, Motor and craft components drifted to slightly lower positions. The prospect of further redundancies clipped a penny, from AE, 33p. A newsletter investment recommendation prompted scattered support of Fleet Holdings, which added a couple of pence to 20p. Other Newspapers traded quietly and generally without distinction.

Properties displayed no set trend following a small trade. Reflecting weakness in Hong Kong, Hoong Kong Land fell 6 to 51p and Swire Properties 4 to 51p. Jardine Exports firmed a penny to 161p following the interim figures, while Bairdview Eves, with first-half results scheduled for next Tuesday, hardened a penny to 60p.

Oil prices moved the firmer trend, but the volume of business left a lot to be desired. British Petroleum edged up 3 to 282p and Shell, awaiting tomorrow's half-yearly results, firmed 6 to 380p. Late support left Ultramar 10 to the good at 388p. Lasso, still benefiting from the Dome Petroleum deal, put on 8 further to 332p.

Poor annual results and the gloomy statement on the outlook from Reardon Smith, down a penny at 94p, appeared to have been well discounted. Elsewhere in Shippings, P. and O. Deterring, which was at one stage rallied to close a penny better on balance at 145p.

A dull market following the announcement of disappointing interim figures at the beginning of the month. Nottingham, a factory attracted fresh investment support and rallied 8 to 182p, after 134p.

Gold prices firmed the new account on a quiet firm note. South African Gold made good progress after a steady opening, boosted by the renewed strength of the bullion price following the further cut in prime rates in the U.S.

London Financials also made progress. Gold Fields improved 6 to 403p, after 405p, reflecting the fresh advance by the bullion price, while Charter put on 5 to 187p and RTZ 3 to 413p following the latest dividend details of the acquisition of South Crofty.

Platinums were marginally firmer with the exception of Impala, which fell 4 to 232p following the lower full-year profits... and... produced final dividend.

Little interest was shown in Australians with dealers awaiting the federal budget, details of which are expected to be known in London around midday today.

Elsewhere, the Charter/RTZ acquisition of South Crofty prompted modest interest in the other quoted Cornish tin mine, Geevor, which rose 4 to 67p.

Business in Traded Options was slow to develop and only 1,183 contracts were done—barely a half of last week's daily average of 2,068. Reasonable activity was noted, however, for Grand Metropolitan, Learro and Barclays Bank, with all three underlying securities being quoted ex the dividend. Some useful gains became evident among Shell Transport positions in front of Wednesday's mid-term statement; the October 360 calls rose 10 to 30p while the October 350 calls finished 3 higher at 11p.

Money was given for the call in London, Finance Commercial, ICL, Turner and Newall, British Petroleum, Bio-Isolates, KCA International, Wheelock Marden A, Premier Oil, Sound Diffusion, Hongkong and Shanghai Banking and Clive Discount. A put was taken on Clive Discount, while doubles were arranged in Lof's, ICL, Wheelock Marden A and Cable and Wireless.

Allied Irish Banks forms Jersey company. Allied Irish Banks has established a Jersey subsidiary, Allied Irish Banks (CI), which forms an integral part of the international expansion of the group.

The function of the new company will be to participate fully in the increasingly important financial centre in Jersey and to provide offshore banking facilities to the group's overseas customers. It will be active in the international money and foreign exchange markets.

RECENT ISSUES

Table with columns: Issue Price, Amount, Latest Date, 1982 High, 1982 Low, Stock, Quantity, Dividend, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Price, Amount, Latest Date, 1982 High, 1982 Low, Stock, Quantity, Dividend, etc.

"RIGHTS" OFFERS

Table with columns: Issue Price, Amount, Latest Date, 1982 High, 1982 Low, Stock, Quantity, Dividend, etc.

OPTIONS

Table with columns: First Deal, Last Deal, Last Deal, For Settlement, etc.

ACTIVE STOCKS

Table with columns: Stock, Closing Price, Day's Change, etc.

FRIDAY'S ACTIVE STOCKS

Table with columns: Stock, No. of closing price, Day's change, etc.

FINANCIAL TIMES STOCK INDICES table with columns: Index, Aug 16, Aug 13, Aug 10, Aug 7, Aug 4, A year ago.

HIGHS AND LOWS

Table with columns: High, Low, S.E. ACTIVITY.

FT-ACTUARIES SHARE INDICES

Table with columns: Index, Mon Aug 16 1982, Fri Aug 13, Thurs Aug 12, Wed Aug 11, Tues Aug 10, Year ago.

NEW HIGHS AND LOWS FOR 1982

Table with columns: NEW HIGHS (144), NEW LOWS (82).

WORLD VALUE OF THE POUND

Table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING.

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Foreign Bonds, etc.

RISES AND FALLS YESTERDAY

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FIXED INTEREST

Table with columns: PRIME RATES, FIXED INTEREST, etc.

FIXED INTEREST

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Financial Times, London, ECAP 48V, price 15p, page 20p. Includes various footnotes and publication details.

Companies and Markets

CURRENCIES and MONEY

FT UNIT TRUST INFORMATION SERVICE

Dollar firm

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, etc. for various currencies like US, Canada, UK, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, etc. for various currencies like UK, Ireland, Canada, etc.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, US dollar, etc. with columns for Bank of England, Morgan, etc.

CURRENCY RATES

Table showing currency rates for Sterling, US dollar, etc. with columns for Bank of England, Morgan, etc.

OTHER CURRENCIES

Table showing other currencies like Argentine peso, Australian dollar, etc.

Dollar improved in quiet foreign exchange trading yesterday. Euro-dollar rates fell sharply following the reduction in the U.S. Federal Reserve discount rate, but sentiment continued to favour the U.S. currency.

Sterling was slightly firmer overall, closing unchanged against the dollar, but stronger against European currencies.

DOLLAR - Trade-weighted index (Bank of England) 122.6 against 122.4 on Friday, and 113.4 six months ago.

STERLING - Trade-weighted index 91.1 against 91.0 at noon, 91.0 in the morning, 90.9 at the previous close.

DEUTSCHENMARK - EMS member (weakest). Trade-weighted index unchanged at 124.4 against 124.4 on Friday, and 120.9 six months ago.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies like German mark, French franc, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for Pound Sterling, US Dollar, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 16)

Table showing FT London interbank fixing rates for 3 months and 6 months U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies like Sterling, US Dollar, etc.

MONEY MARKETS

UK clearing bank base lending rate 11 per cent (since July 30 or August 2 and 3).

London rates fall

UK clearing bank base lending rate 11 per cent, and eased to 11 per cent on the first forecast, which was below market expectations.

MAJOR MONEY RATES

Table showing major money rates for New York, Germany, France, Japan.

EUROCURRENCIES

Eurocurrency interest rates weakened yesterday, following the cut of 1 per cent to 101 per cent in the U.S. Federal Reserve discount rate before the weekend.

NEW YORK

Table showing New York money rates for various currencies.

GERMANY

Table showing Germany money rates for various currencies.

FRANCE

Table showing France money rates for various currencies.

JAPAN

Table showing Japan money rates for various currencies.

AUTHORISED TRUSTS

Large table listing various authorized trusts and their details, including Abbey Unit Trst, High & Phipps, etc.

PREMIUM... A... B... C... D... E... F... G... H... I... J... K... L... M... N... O... P... Q... R... S... T... U... V... W... X... Y... Z... AA... AB... AC... AD... AE... AF... AG... AH... AI... AJ... AK... AL... AM... AN... AO... AP... AQ... AR... AS... AT... AU... AV... AW... AX... AY... AZ... BA... BB... BC... BD... BE... BF... BG... BH... BI... BJ... BK... BL... BM... BN... BO... BP... BQ... BR... BS... BT... BU... BV... BW... BX... BY... BZ... CA... CB... CC... CD... CE... CF... CG... CH... CI... CJ... CK... CL... CM... CN... CO... CP... CQ... CR... CS... CT... CU... CV... CW... CX... CY... CZ... DA... DB... DC... DD... DE... DF... DG... DH... DI... DJ... DK... DL... DM... DN... DO... DP... DQ... DR... DS... DT... DU... DV... DW... DX... DY... DZ... EA... EB... EC... ED... EE... EF... EG... EH... EI... EJ... EK... EL... EM... EN... EO... EP... EQ... ER... ES... ET... EU... EV... EW... EX... EY... EZ... FA... FB... FC... FD... FE... FF... FG... FH... FI... FJ... FK... FL... FM... FN... FO... FP... FQ... FR... FS... FT... FU... FV... FW... FX... FY... FZ... GA... GB... GC... GD... GE... GF... GG... GH... GI... GJ... GK... GL... GM... GN... GO... GP... GQ... GR... GS... GT... GU... GV... GW... GX... GY... GZ... HA... HB... HC... HD... HE... HF... HG... HH... HI... HJ... HK... HL... HM... HN... HO... HP... HQ... HR... HS... HT... HU... HV... HW... HX... HY... HZ... IA... IB... IC... ID... IE... IF... IG... IH... II... IJ... IK... IL... IM... IN... IO... IP... IQ... IR... IS... IT... IU... IV... IW... IX... IY... IZ... JA... JB... JC... JD... JE... JF... JG... JH... JI... JJ... JK... JL... JM... JN... JO... JP... JQ... JR... JS... JT... JU... JV... JW... JX... JY... JZ... KA... KB... KC... KD... KE... KF... KG... KH... KI... KJ... KK... KL... KM... KN... KO... KP... KQ... KR... KS... KT... KU... KV... KW... KX... KY... KZ... LA... LB... LC... LD... LE... LF... LG... LH... LI... LJ... LK... LL... LM... LN... LO... LP... LQ... LR... LS... LT... LU... LV... LW... LX... LY... LZ... MA... MB... MC... MD... ME... MF... MG... MH... MI... MJ... MK... ML... MM... MN... MO... MP... MQ... MR... MS... MT... MU... MV... MW... MX... MY... MZ... NA... NB... NC... ND... NE... NF... NG... NH... NI... NJ... NK... NL... NM... NN... NO... NP... NQ... NR... NS... NT... NU... NV... NW... NX... NY... NZ... OA... OB... OC... OD... OE... OF... OG... OH... OI... OJ... OK... OL... OM... ON... OO... OP... OQ... OR... OS... OT... OU... OV... OW... OX... OY... OZ... PA... PB... PC... PD... PE... PF... PG... PH... PI... PJ... PK... PL... PM... PN... PO... PP... PQ... PR... PS... PT... PU... PV... PW... PX... PY... PZ... QA... QB... QC... QD... QE... QF... QG... QH... QI... QJ... QK... QL... QM... QN... QO... QP... QQ... QR... QS... QT... QU... QV... QW... QX... QY... QZ... RA... RB... RC... RD... RE... RF... RG... RH... RI... RJ... RK... RL... RM... RN... RO... RP... RQ... RR... RS... RT... RU... RV... RW... RX... RY... RZ... SA... SB... SC... SD... SE... SF... SG... SH... SI... SJ... SK... SL... SM... SN... SO... SP... SQ... SR... SS... ST... SU... SV... SW... SX... SY... SZ... TA... TB... TC... TD... TE... TF... TG... TH... TI... TJ... TK... TL... TM... TN... TO... TP... TQ... TR... TS... TU... TV... TW... TX... TY... TZ... UA... UB... UC... UD... UE... UF... UG... UH... UI... UJ... UK... UL... UM... UN... UO... UP... UQ... UR... US... UT... UY... UZ... VA... VB... VC... VD... VE... VF... VG... VH... VI... VJ... VK... VL... VM... VN... VO... VP... VQ... VR... VS... VT... VU... VV... VW... VX... VY... VZ... WA... WB... WC... WD... WE... WF... WG... WH... WI... WJ... WK... WL... WM... WN... WO... WP... WQ... WR... WS... WT... WY... WZ... XA... XB... XC... XD... XE... XF... XG... XH... XI... XJ... XK... XL... XM... XN... XO... XP... XQ... XR... XS... XT... XU... XV... XW... XX... XY... XZ... YA... YB... YC... YD... YE... YF... YG... YH... YI... YJ... YK... YL... YM... YN... YO... YP... YQ... YR... YS... YT... YU... YV... YW... YX... YZ... ZA... ZB... ZC... ZD... ZE... ZF... ZG... ZH... ZI... ZJ... ZK... ZL... ZM... ZN... ZO... ZP... ZQ... ZR... ZS... ZT... ZU... ZV... ZW... ZX... ZY... ZZ

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INSURANCES

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds, including Life Assur. Co. of Pennsylvania, Norwich Union Insurance Group, and various international fund managers.

NOTES section at the bottom right of the page, providing additional information and disclaimers.

WOLSELEY-HUGHES
Central to Britain's heating
Heating and Plumbing Merchants,
Farm and Garden Machinery, Engineering, Plastics.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

HOTELS AND CATERERS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

INDUSTRIALS (Miscel.)

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

ELECTRICALS—Continued.

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

ENGINEERING MACHINE TOOLS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

CHEMICALS, PLASTICS—Cont.

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

DRAPERY AND STORES

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

BANKS & H.P.—Cont.

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

BEERS, WINES AND SPIRITS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

ELECTRICALS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

LOANS—Continued

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

FOREIGN BONDS & RAILS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

AMERICANS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

BANKS AND HIRE PURCHASE

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

BRITISH FUNDS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

CORPORATION LOANS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

COMMONWEALTH AND AFRICAN LOANS

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

LOANS Public Board and Ind.

Stock	Price	%	Stock	Price	%
Asda	12.50	+0.50	Woolworth	10.00	+0.20
Asda (1981)	12.50	+0.50	Woolworth (1981)	10.00	+0.20
Asda (1982)	12.50	+0.50	Woolworth (1982)	10.00	+0.20
Asda (1983)	12.50	+0.50	Woolworth (1983)	10.00	+0.20
Asda (1984)	12.50	+0.50	Woolworth (1984)	10.00	+0.20

Now read the FT at your leisure

You don't have to worry about what is happening in the world when you are on holiday as the Financial Times is on sale in holiday resorts throughout Europe. Either look for the sign indicating that the International Press is on sale or ask at the local kiosk. When in France, watch out for the 'Mr Pims' sign which indicates where you can buy or order the FT.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

July 1, 1982



INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Amgen, and various pharmaceutical and technology companies.

LEISURE—Continued

Table of leisure stocks including television networks, media companies, and entertainment firms.

PROPERTY—Continued

Table of property and real estate investment trusts, including various REITs and land trusts.

INVESTMENT TRUSTS—Cont.

Table of investment trusts, including equity, bond, and specialty trusts.

OIL AND GAS—Continued

Table of oil and gas stocks, including major energy companies and independent producers.

MINES—Continued

Table of mining stocks, categorized by region: Central African, Australian, and Tins.

NOMURA THE NOMURA SECURITIES CO. LTD. Nomura International Limited. Japan's leader in international securities and investment banking.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including manufacturers and distributors.

SHIPPING

Table of shipping stocks, including major shipping lines and related services.

SHOES AND LEATHER

Table of shoes and leather goods stocks, including manufacturers and retailers.

SOUTH AFRICANS

Table of South African stocks, including various local companies.

TEXTILES

Table of textile stocks, including manufacturers and retailers.

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TEXTILES

Table of textile stocks, including manufacturers and retailers.

OVERSEAS TRADERS

Table of overseas trader stocks, including international trading companies.

PLANTATIONS

Table of plantation stocks, including rubber and palm oil producers.

TEAS

Table of tea stocks, including major tea producers.

MINES

Table of mining stocks, including various metal and coal producers.

Central Rand

Table of Central Rand mining stocks.

Eastern Rand

Table of Eastern Rand mining stocks.

Far West Rand

Table of Far West Rand mining stocks.

Regional and Irish Stocks

Table of regional and Irish stocks, including various local companies.

Options

Table of options, including 3-month call rates and other derivatives.

Finance

Table of finance stocks, including banks and financial institutions.

Oil and Gas

Table of oil and gas stocks, including major energy companies.

Diamond and Platinum

Table of diamond and platinum stocks, including mining companies.

Recent Issues and Rights Page 21

Table of recent issues and rights, including IPOs and secondary offerings.

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Headache of a gas find in a load of old rubbish

By Sue Cameron and Ian Hamilton Fazy

SIZEABLE quantities of natural gas — worth more than £76m a year at today's prices — have been discovered by the Merseyside Development Corporation at a 50-year-old rubbish tip in Liverpool. But the gas find, on a site being reclaimed for Britain's first international garden festival, is being viewed as a headache rather than a windfall. The gas is produced as refuse decomposes and provisional estimates by the corporation's engineers put the amount being generated by the rubbish tip at some 250m therms a year. This is the equivalent of 120 tonnes of coal a year and would be almost enough to meet the entire demand for industrial gas in Wales. The tip is at Otterspool in the centre of the city. It is close to Toxteth, the scene of serious rioting last summer. The corporation, which is directly funded by the Government, is spending almost £13m on the 250-acre garden project as part of its efforts to bring new life to the decayed inner city area. But if gas on the site could yield £76m a year — the figure is based on the average price of 30.5p a therm which the British Gas Corporation charges its industrial customers — it would pay for the garden festival almost six times over.

Last night, however, the corporation was taking a cautious approach to its would-be gas bonanza. "Every conurbation in the country has vast refuse tips like this," a spokesman said. "And in Liverpool alone the sewers probably produce gas equivalent to 2m tonnes of coal a year. The problem is harnessing the gas and then finding a customer for it." Experience suggests that one starts off with high hopes of a cheap district heating system and then finds that the economics just don't work out. Frankly, what we have at the moment at Otterspool is a problem. The corporation knew there would be natural methane gas on the tip, and plans to spend some £500,000 on removing it in safety. But it had not realised quite how much gas was being generated by the tip. News of the quantity present has now leaked and it is not clear whether the corporation would subsidise the initial cost of collection. They could then pay back the capital cost out of their profits from gas sales. The British Gas Corporation, however, was decidedly gloomy about the chances of using the Liverpool tip as a source of supplies. It admitted that 250m therms was "a hell of a lot of gas" — roughly half the size of a small North Sea gas field such as West Sole. But said gas from a rubbish tip could have "all sorts of fannies in it."

"We would probably have to clean it before we could use it and strip out any other gases," a spokesman said. "And there would be the problem of maintaining pressure. The supply would probably only last for a few years, and that's assuming there really are 250m therms there. It is most unlikely it would be compatible with our specification gas." "Usually gas from this kind of source is more of a nuisance than anything," said a British Gas spokesman. However, there might be a future for gas produced from decomposed matter, particularly in Third World countries. Sewage rather than rubbish tips appeared the most likely source. Research by British Gas has discovered that human waste can yield 1 cu ft of natural gas per person per day. The rate for cattle is 1.5 cu ft a day per cow. And the best producers are pigs — 8.4 cu ft a day per pig.

Eurobonds

amendments were still in the process of being redrafted. A final printed version seemed unlikely until late evening at the earliest and possibly as late as tonight. Latest reports in Washington suggested last night that Eurobonds would be allowed exemption from the general category of "registration-required obligations" on certain conditions. These could include a warning on the bond certificate of potential tax complications for U.S.

Agreement near on PLO say Israel and Lebanon

BY OUR FOREIGN STAFF

ISRAELI and Lebanese leaders said yesterday that agreement on the evacuation of Palestinian Liberation Organisation fighters in Beirut was close.

Mr Chabq al-Wassan the Lebanese Prime Minister said the pull-out could start within a week.

He was speaking after meeting Mr Philip Habib, the U.S. special mediator. Mr Habib had flown back to Beirut after intensive meetings with Israeli leaders including Mr Menachem Begin, the Prime Minister in Jerusalem over the weekend. But the PLO last night had not publicly announced that the withdrawal would begin.

Mr Habib appears to have taken with him two key concessions from the Israelis. First, Mr Begin's cabinet is no longer demanding a list of names of the estimated 7,000 PLO fighters due to be evacuated from Beirut.

Second, the Israelis agree that a vanguard of the 1,500 to 2,000-man multinational force of Italian, French and U.S. troops will enter Beirut at the time of the withdrawal. Previously, the Israelis had insisted that most PLO fighters must withdraw in advance of the multinational force landing.

A U.S. force of about 1,800 marines sailed from Naples yesterday bound for waters off Lebanon where it will be in position to respond to an order to land.

A sticking point in an overall package is Israel's demand for the return of a pilot shot down early in the fighting. It



Philip Habib: Returned to Beirut

also wants the bodies of nine soldiers killed during the invasion of Lebanon in 1978. These two demands are "non-negotiable" an Israeli official said in Jerusalem, adding that there was no question of the pilot or the bodies being exchanged for the 7,400 or so PLO fighters captured in Lebanon during the present two-month-old conflict.

The evacuation will be phased over 15 days. Under the plan some PLO fighters will be driven to Damascus while others will go by boat to Egypt and, possibly, Cyprus as stopping off points on their way to eight countries.

It was not clear last night whether the Syrians would withdraw their troops from Lebanon. The state-run Damascus radio said Syria would not pull out of Lebanon under Israeli threat but would defend their presence.

The broadcast made no mention of Beirut. Syria has up to 30,000 troops as part of the Arab Deterrent Force based mostly in the Bekaa valley in north-east Lebanon. Between 1,500 and 2,500 Syrian troops, who were cut off by the Israeli encirclement of the city, are believed to be in Beirut.

Lebanese officials said they thought Syria would be prepared to withdraw its troops in Beirut but to write after the PLO evacuation had been completed. Reuter reports from Cairo: Egypt said yesterday that there would be no resumption of the stalled Palestinian autonomy talks with Israel until Israeli forces withdrew from Lebanon. Statements made by Mr Kamal Hassan Ali, the Foreign Minister, and his deputy, Mr Boutros Boutros Ghali, linked the resumption of the talks with Israeli withdrawal from Lebanon and a change in Israel's understanding of the 1978 Camp David peace accords.

The U.S.-sponsored agreements provided for negotiations between Israel and Egypt on granting self-rule to 1.3m Palestinians living in the West Bank and Gaza Strip.

Mexico in emergency debt talks with IMF

By Alan Friedman in Mexico City

THE MEXICAN Government has held talks with the International Monetary Fund amid reports from bankers in Mexico City that the country will have to renegotiate at least a part of its \$60bn (£35bn) of public sector foreign debts.

Bankers who met Sr Jesus Silva Herzog, Finance Minister, confirmed a report in yesterday's Excelsior newspaper that the minister visited Washington over the weekend and met IMF officials.

According to the Excelsior report, Sr Herzog is seeking emergency dollar facilities to help Mexico to cope with its current cash crisis. Foreign exchange markets remained closed in Mexico yesterday following last Friday's imposition of exchange controls, banning the transfer of foreign currency from the country and freezing all dollar bank accounts.

Since the imposition of exchange controls a black market has resulted in wild fluctuations of the unofficial peso dollar. Under the two-tier exchange system introduced on August 5, a preferential rate of 49.5 pesos to the dollar was established along with a floating rate above 70 pesos.

At Mexico City's airport black marketeers are buying dollars for as little as 50 pesos and selling them for 100-150 pesos to the dollar.

One major foreign bank in Mexico City said yesterday it had received a request from a public sector borrower for extra time to make repayments of principal and interests due this week. "They have told us they don't have access to the dollars and cannot make the repayments," the bank said.

If the bank does not agree to defer payments this could result in a technical default by at least one public sector borrower. Major U.S. banks with large outstanding Mexican debts said they expect to renegotiate at least a part of the \$60bn foreign debt. The immediate amount to be rescheduled would be less than \$10bn and involves repayments which fall due in the next three months.

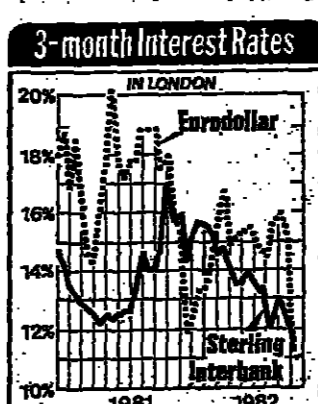
Under an IMF agreement, Mexico could draw about \$4bn of funds but it is not clear how much of this would be immediately available.

Bankers in Mexico City yesterday criticised the way exchange controls were introduced on Friday. The measures were introduced to stem a massive outflow of dollars from Mexico. David White in Paris adds: The Mexican authorities have told French companies working on the ambitious Mexico City metro project that sections under construction are to be delayed or suspended because of the country's financial difficulties.

THE LEX COLUMN

Signs of realism from the Royal

Index rose 0.9 to 545.8



After the beating which the composite insurance market took last week from General Accident and Commercial Union, a respectable set of interim figures from Royal Insurance was welcome relief. The numbers are pretty dreadful in absolute terms — profits for the six months to June are down 55 per cent to £32m pre-tax — but Royal does at last seem to be practising the discipline which all the composites have preached for months.

The clearest illustration comes from Canada where underwriting losses have been cut back sharply enough to leave the general insurance account in profit. Royal has been prepared to concede market share — premium income is down 17 per cent in local currency terms — in order to obtain realistic rates.

A similar recovery is taking place in Australia. In his Budget speech, the Chancellor pulled the draft clauses for reconsideration in the interests of "avoiding economic damage." However, the nature of the Revenue's reconsideration will come as a shock for many companies.

In its new working documents the Revenue makes it clear that far from being an unintended side effect, many of the clauses were indeed drafted to curb the activities of mainstream multinational business. So while the British Government falls over itself to invent enterprise zones and business start-up schemes to encourage investment in the UK, the Revenue remains highly suspicious of incentives elsewhere. It confirms that tax breaks in such notorious tax havens as the U.S. and the Netherlands would, under its proposals, lay companies open to the potentially expensive charge of tax avoidance. To add insult to injury, it has remained adamant on not taking into account some UK incentives when calculating whether by comparison another tax regime is privileged.

The Revenue seems to have built up a grudge against the common multinational practice of setting up intermediate holding companies to "average" foreign taxes for double tax relief purposes. Why should such companies be excluded from the scope of this charge?

Meanwhile, some criticisms of one of the Revenue's three hit-and-run tests for detecting avoidance — acceptable distribution — have been taken to heart, and this test may disappear. That leaves the tests of motive and of genuine trading, and since the Revenue argues that dealings in commodities, securities

or leases cannot satisfy the criterion of genuine trading, financial companies must be judged on motive.

The City is bound to feel vulnerable. The Revenue claims that it has no discretion to determine what will satisfy the motive test, but it certainly has the discretion to challenge a company. The prospect of a long court battle, with an unpredictable outcome, represents a very substantial deterrent.

Markets

Spare a thought for those poor gilt-edged brokers beached on the Suez. Two days behind with the test match score and missing the best bull market for five years. The Government Broker, on his best barrow-boy form, left the market untapped on Friday afternoon so that an acute stock shortage developed yesterday following some most agreeable news from the U.S. — a discount rate cut, good cycle figures and strong bonds.

After a two-point rise in gilt-edged the GB produced a new 1987 top stock, with a 10 1/2 per cent coupon, 1 1/2 points below that of his last issue, only seven months longer dated, and the lowest on a conventional Government stock since June 1975. The long market, still untapped, rose to another half point, and the new issue will presumably be swallowed up by the traders and by the building societies, who seem to have more cash than they know what to do with and might do well to close on Saturdays.

The monetary authorities find themselves at this honeymoon phase of the economic cycle when monetary policy — targets and restraint — and the intermediate interest rate objective — downward — do not conflict at all. Every eighth of a point that the Bank of England skims off its bill dealing rates enables it to mop up £1bn of bank deposits in the Levelled market. It is enough to turn the heads of less well-balanced operators. For investors, certain minor details may be overlooked in the general excitement. A top-rate taxpayer buying the Transport 3 per cent 1978-88 stock today in preference to the index-linked 2 per cent 1988 (some of which is still on the G.B.'s barrow) is implicitly assuming that inflation over the next six years will average less than 3 1/2 per cent per annum. Either a lot of people are locked into Transport 3s with a capital gains tax liability, or the market has better things to do than arithmetic.

Retail sales buoyant in July

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE VOLUME of sales in the shops in July was broadly the same as in June, according to provisional statistics published yesterday by the Department of Trade.

The figures show that the seasonally-adjusted index of volume sales in July was 107 (1978=100), compared with a June index of 106.6.

Retailers said the July figures were relatively buoyant because of vigorous price cutting, warm weather, and the abolition of hire purchase controls in the last week of the month. The July volume for the last three months has been about the same as in the previous quarter. The average level of sales in the first seven months of this year was about 1 per cent above the 1981 average.

In value terms, with no seasonal adjustment, retail sales in July were about 8 per cent higher than in July last year. In the first seven months of 1982 the average level of sales was also 8 per cent higher than the value for the same period of last year. The Retail Consortium, which represents most of Britain's retailers, said yesterday that the "tremendous price cuts on offer have made the position much healthier than would otherwise have been the case."

The consortium expects the recent cut in the mortgage rate to give a marginal stimulus to sales this autumn. It is looking for a consumer boom next year, triggered by the Budget and the possibility of an early general election.

The scrapping of hire purchase restrictions has boosted car and electrical goods retailers. Mr Terry Curry, of the Curry's electrical goods chain, said that while sales in July had been "modestly buoyant," they were "significantly higher" after controls were ended. Sales had improved sharply across the board, he said, with "white" goods such as refrigerators and freezers doing marginally better than "brown" goods like televisions and videos. Sales of white goods normally are depressed in the summer.

The boost to retail sales from the ending of hire purchase controls was confirmed yesterday by the United Association for the Protection of Trade, the largest credit reference agency in the UK.

Application for credit facilities by consumers had risen by 20 per cent in the first week in August compared with the week before. HP controls were lifted, the association said. In July as a whole, taking account of one week of the "HP boom," credit applications were 12 per cent higher than last year. In June applications were running at 5 per cent below last year's rate.

Other retailers remain encouraged by the buoyancy of trade. Boots yesterday reported that average sales in July were 10 per cent above the figure for July last year. The Argos discount stores also reported a 25 per cent increase in sales value last month compared with July 1981. It adds that the actual growth was "modest" when the extra selling space from new showrooms was taken into account.

Figures from the John Lewis Partnership department stores show that sales in the first week of August were 12 per cent higher in value than last year.

Threat to small manufacturers

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A NEW wave of closures and redundancies is threatening smaller and medium sized manufacturers, the Association of British Chambers of Commerce warned yesterday.

In a letter to Mr Patrick Jenkin, the Industry Secretary, the association urged the Government to help these companies, mainly in the component manufacturing sector, to prevent further closures.

The association's warning follows a gloomy picture of industry's morale presented to the Government in a recent Confederation of British Industry survey. Slack order books and low industrial output have prompted many Conservative MPs, particularly from the West Midlands, to press ministers for some reflationary measures. Industrial output figures published last week showed a 1.5 per cent drop between May and June.

The MP's anxiety was reflected strongly at the weekend by Mr James Prior, Northern Ireland Secretary and a leading Cabinet "wet", who spoke up strongly against current levels of unemployment and said he favoured some measures of encouragement for industry. The association's letter called for:

- An extension of the Temporary Employment Subsidy scheme to cover companies with fewer than 10 employees.
- Relief from industrial rates for parts of a factory not in use and the de-rating of fixed plant.
- Revival of the Small Engineering Firms' Investment Scheme, a £30m grants scheme for investments in high technology machine tools.

Some 1,748 companies applied for such grants this year. The chambers of commerce have offered to administer the schemes to save costs. The association believes the cost of its proposals would be substantially offset, even in the short term, by savings in unemployment pay and welfare benefit and the continued flow of tax revenue from people who would otherwise lose their jobs.

Mr John Risk, chairman of the association's national council, said in the letter that the output figures were "further confirmation of the severity of the problems facing British industry."

"Reports from chambers of commerce and from industry are unanimous in warning that real and lasting damage is being done to the industrial base."

Mr Risk said many companies whose future was insecure had taken all measures possible to reduce costs and improve productivity. Feature, Page 12

Weather

UK TODAY

COOL and unsettled. S.W. England, Wales, N. Ireland. Sunny with scattered showers; rain later. Max 18C (64F).

Rest of England. Sunny periods and showers. Drier out later. Max 20C (68F).

Scotland. Heavy shower with sunny intervals. Max 16C (61F). Outlook: Continuing unsettled.

WORLDWIDE

Y'day	midday	Y'day	midday
Ajaccio	18	L. Ang-1	18
Alger	21	Luxemb	18
Amman	18	Luzon	20
Athens	23	Macao	20
Bahra	28	Manila	20
Bangkok	27	Mexico	20
Beirut	21	Moscow	18
Bombay	27	Mumbai	18
Buenos Aires	27	Nairobi	18
Calcutta	27	Paris	18
Cairo	27	Rangoon	18
Canton	27	Riyadh	18
Cebu	27	Sao Paulo	18
Colon	27	Singapore	18
Hankow	27	Taipei	18
Hong Kong	27	Tokyo	18
London	18	Yokohama	18

Short tap announced

index rose 0.9 points to 545.8 at the close.

The enthusiasm for government stock followed cuts in the U.S. prime lending rates and a cut by the Federal Reserve of its discount rate for the third time in four weeks. The Bank of England reduced its money market dealing rates about 1 point for bills of all maturities. This brought the This brought the rate for the shortest maturities down to 1 1/2 per cent. The three-month interbank rate, regarded as a good indicator of the general trend of UK rates fell 1 point to 1 1/2 per cent. Three-month Euro-dollar rates were down to 1 1/2 per cent from 1 3/4 per cent. It was hoped yesterday that

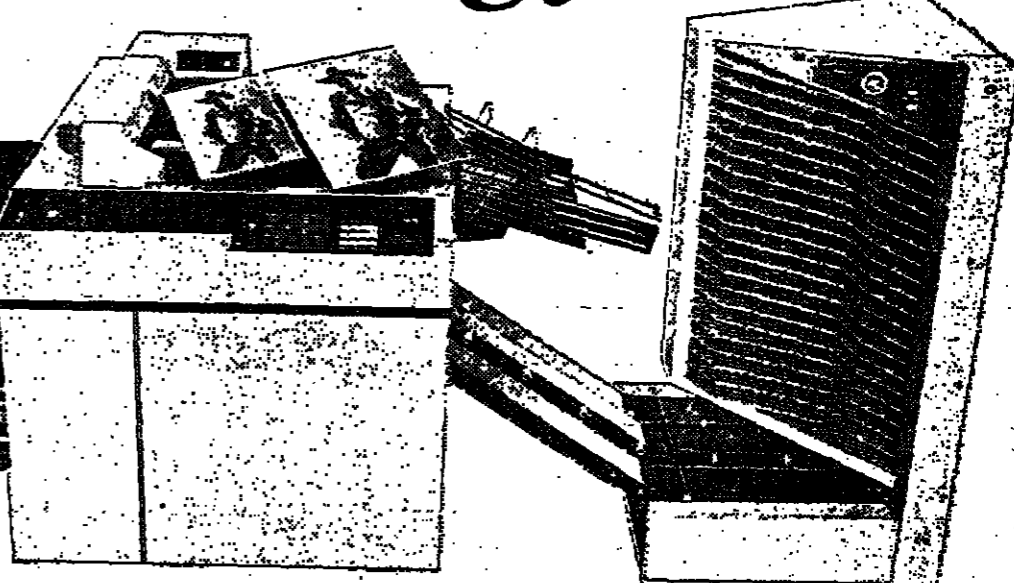
Unions

which will also be presented at today's meeting.

The confidential SCPS paper opposes Megaw's recommendations on market forces. It warns that the Government will not shift from its position on cash limits "unless forced by threatened or actual industrial action."

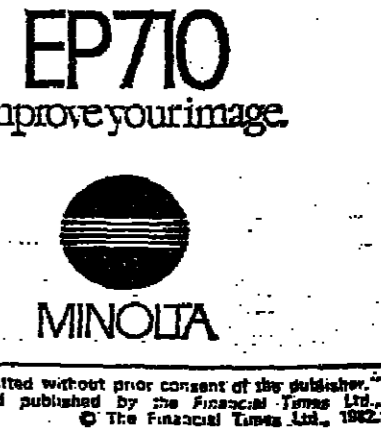
The CCSU document, meanwhile, says the unions are prepared to consider a bonus scheme, though it would have to be financed with money in addition to the Civil Service's pay allocation. It accepts the central Megaw concept of "informed collective bargaining," though with "storing reservation" about its detailed proposals.

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